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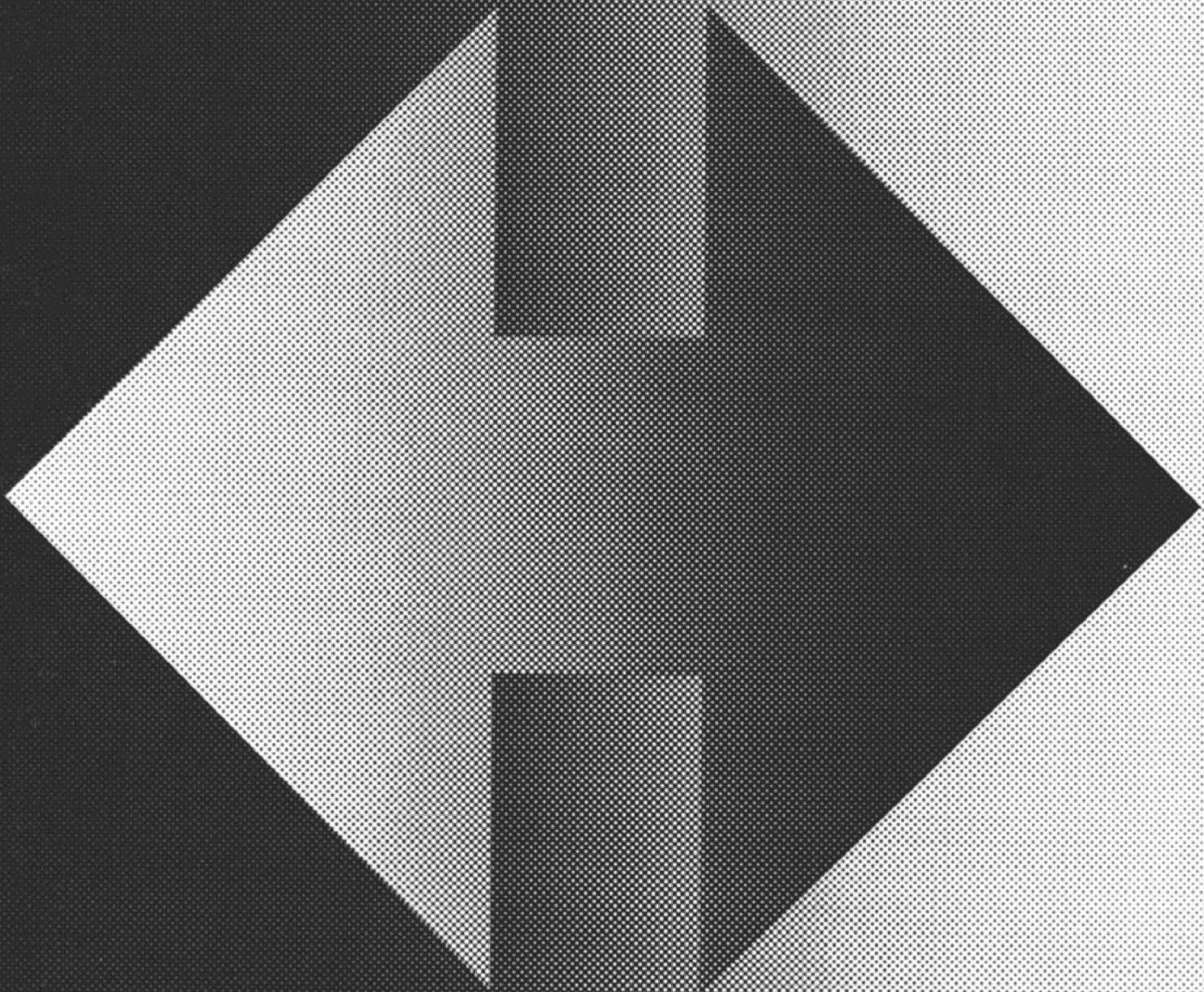

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contents

Taxis and Jitneys: The Case for Deregulation — 4
Sandi Rosenbloom

Justice on Trial — 18
Robert LeFevre

Economics, Ethics, and Epistemology — 22
Alan Reynolds

Poul Anderson and the Men Who Count — 26
John Costello

Trends — 30

Publisher's Notes — 31

Letters — 32

Classifieds — 34

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taxis and jitneys: the case for deregulation

SANDI ROSENBLOOM

Last month in "Save our Smog," by John Ockert, REASON *presented a tongue-in-cheek look at some of the problems of urban transportation and the potential of the free market for making things better. This month's cover story reports the findings of several years of research into the effects of government controls on the taxi industry. The author—one of the country's leading experts on taxis and jitneys—presents a carefully-reasoned case for the benefits of a free market in urban transportation.*

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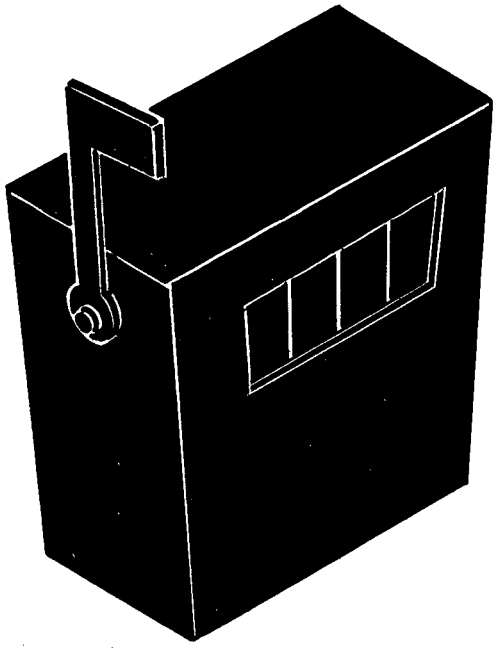


INTRODUCTION

Taxicabs and jitneys offering a flexible mass transit service, approximating the convenience of an automobile, have important ramifications pertaining to the improvement of urban transportation facilities and particularly toward increasing mobility in the inner city. A brief look at the historical evolution of jitneys and taxis in America shows that unfulfilled demand for transit service exists in many American cities despite the decline in the use of traditional bus and line haul facilities. Additionally, an overview of taxi and jitney operations shows that there is a need for special kinds of flexible transit service in inner city ghettos.

Allowing jitneys and taxis to provide such needed services *today* would have several important effects on urban transportation systems and on the urban area itself. Jitney and taxis would provide jobs for inner city residents, fulfill a need for flexible circulation service in downtown or key commercial areas, and fulfill many unmet transit needs in the inner city.

Recent governmental programs aimed at solving both employment and transportation problems in the inner city have been largely unsuccessful. A look at these programs will show that although an attempt was made to create flexible services with some taxi/jitney characteristics, many basic assumptions about employment concentrations and job availability were found to be untrue. In addition, the organization and implementation of these services were unsuitable for their purpose.

The relatively low cost of jitney and taxi systems today and the potential adaptability of these services to tomorrow's transportation systems make them extremely useful for current urban transportation systems. Among the advantages of jitneys and taxis as an addition to current systems are the following:

1. Jitneys and taxis have a very short lead-in time and can be put into operation quickly

2. Jitneys and taxis can be readily added to current transit operations

3. Operating costs and expenditures are relatively low

4. The capital investment requirements are low and will not jeopardize the implementation of future transportation systems.

DEFINITIONS

Taxicabs and jitneys offer a very similar type of service, and they also are quite similar in their operation. In general, taxicabs are conventional, specially-decorated automobiles, picking up one or more passengers at one location and leaving these passengers at one or more destinations. In their most common useage, taxis travel in a one-origin to one-destination mode. Taxis generally operate on a meter-computed distance fare along random routes. Although originally a free enterprise operation, the current ownership and operation of the taxi industry varies from city to city, as will be discussed.

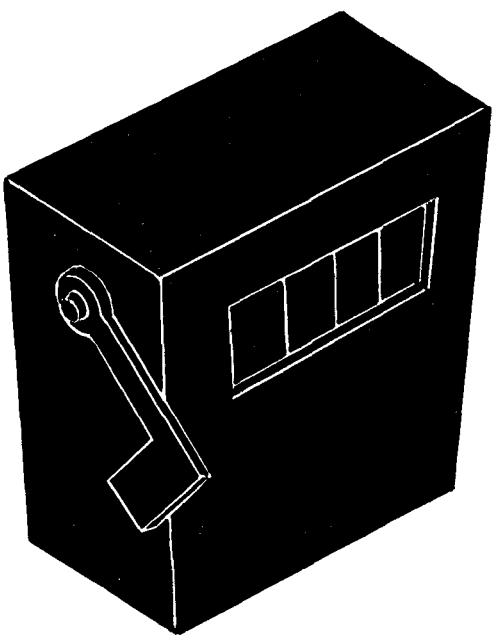
Jitney service refers to a type of service, not to a particular kind of vehicle, although traditionally, jitneys have been small, 8 to 12 passenger vehicles. Jitneys in America are generally individually owned and operated, and driven along relatively fixed routes, usually for a flat rate per passenger but sometimes on a zone-rate passenger fare. Jitneys usually do not have a scheduled headway* but do operate within fixed time limits during the day. Jitneys generally serve as a many--origin to many--destination travel mode. Originally, the jitney operators in America were truly free enterprise entrepreneurs, operating exactly as they pleased along whatever route they deemed profitable. Today, the few existing jitneys usually operate under some form of municipal or state regulation, but most of the scheduling and other organizational questions are settled by the owner-drivers themselves through jitney associations.

HISTORICAL EVOLUTION

Jitneys were once far more common on American streets than taxis currently are. The first American jitneys probably appeared in Los Angeles about 1914. These so-called "five-cent cars"—jitney meant a nickel, hence the term—rapidly became popular and their use spread throughout the United States, particularly in the western United States. Their great popularity and high patronage has been attributed to a number of reasons, among them: the desire to ride in a high-status vehicle, the desire for a faster ride than provided by the trolley, the desire to go to destinations not served by the fixed-rail trolley. A most telling point is that although the jitney charged about the same fare as the trolley, the total earnings of the jitneys were found to be considerably in excess of what the trolley lost to them.[1] Clearly the jitney provided a flexible and convenient service demanded by riders but not provided by the trolley.

Trolley companies across the country reported huge losses due to the competition offered by the jitney[2]; the Los Angeles trolley company estimated a yearly loss of three million dollars to the jitney while Public Service of New Jersey reported a four million dollar yearly loss.[3] The so-called "trolley lobby" managed effectively to kill the jitney in most American cities by 1918 by obtaining restrictive injunctions and prohibitive legislation. Unfortunately, one of the obstacles to reviving the jitney today is that the full extent and validity of these laws is not known. The few remaining legal jitney operations that managed to survive until today provide a distinctive reminder of the jitneys' past popularity, and these will be discussed subsequently.

Taxicabs, generally considered off-peak hour luxury vehicles, had been inadvertently left out of the restrictive legislation aimed at jitneys. Some 12 years later, during the depression, taxis began to operate along major arterial streets, competing with existing



*Headway is the time interval between two vehicles traveling in the same direction on the same route.

bus and trolley operations, using the same operational pattern the jitney had used earlier. The rash of "gypsy" or cut-rate taxis was a result of the increasingly high unemployment rate and the decreasing cost of owning an automobile. Simply, anyone who owned a car and had no job entered the taxi market as a gypsy taxi driver. As one disgruntled transit operator put it,

> The whole system depends upon a surplus of unemployed, many of whom can be induced to work for practically nothing in order to maintain a modicum of self-respect.[4]

As with the jitney, the gypsy taxi posed terrible and costly competition to both transit operators and legitimate taxi companies; in 1930 the Washington, D.C., Street Car Company reported a revenue loss of $1,700,000 to taxi competition.[5] In 1931, the 84,000 legitimate American taxis carried 378,000,000 passengers grossing $252,000,000, while an estimated 66,000 gypsy cabs carried approximately the same number of passengers and grossed about the same revenue.[6] In 1930 New York City's 20,000 gypsy and legal taxis carried 10% of all public passengers with a revenue equal to 90% of the combined revenue of all other public modes.[7] Across the country, gypsy taxis reduced electric railway and bus revenues by an estimated 20%.[8] The competition between individual drivers themselves was often physical and bloody; in New York City several men were actually killed. Once again the threatened transit and taxi operations sought help from state and local legislatures and were successful in eliminating the legal gypsy taxicab in most American cities. Unfortunately, the same kind of political opposition to taxi expansion is in existence today on the part of monopolized taxi operators and some transit companies. Today only three American cities with populations over 100,000 allow taxis to operate like jitneys, but every major American city is known to host scores of illegal gypsy taxis.

With little doubt, the success of both the original jitney and its close cousin the gypsy taxi was a result of two key factors. One was simply the willingness of men to work long and hard hours for themselves to supply this service. When the remaining jitney systems and the nonmonopolized taxi markets are examined, as well as some illegal forms of both services that operate today, a similar pattern is found. While the transit and taxi industries suffer shortages of drivers, there are men willing to work long hours for low wages if they can be private entrepreneurs while providing this transit service.

The second factor in the success of the original jitney and the gypsy taxi was that there was, in fact, a demand for such services. The examination of current taxi/jitney operations in light of this historical perspective reveals that this demand for flexible transportation service still exists in several areas of the modern urban community. A great deal of this demand is simply not being met or is being met illegally. Just as importantly, this same examination indicates that a far higher level of service would be provided if the artificial barriers imposed on taxis and jitneys were lifted.

CURRENT OPERATIONS—THE JITNEY

Probably the most interesting American jitney service still operating today is the one in Atlantic City, New Jersey. This service began in 1915 during a trolley car strike when ordinary private automobiles were pressed into service as jitneys. They charged the same fare as the trolleys (5 cents) and ran along the same main artery, Atlantic Avenue. Although the service was irregular and often unsatisfactory, the competition generated by the jitneys caused the trolley company to go into receivership in 1916 when the strike ended. As a result, several local ordinances were passed regulating the licensing of jitneys and making it unlawful for a jitney to operate on Atlantic Avenue. The Jitneymen moved to Pacific Avenue, a thoroughfare two blocks west and parallel to Atlantic Avenue, which they are using to this day. Ironically, Pacific Avenue is the most popular and desirable route for the largest number of riders because it accommodates business, hotels, restaurants, etc., on both sides of the Boardwalk. Today 190 individually owned jitneys belong to the Jitneymen's Association, which provides schedules and fleet-cost gas, tires, and maintenance. These 190 jitneymen are all required to possess mercantile licenses issued by the city. Although all jitneys are individually owned and operated, the Association is responsible for scheduling all jitneys on a 24-hour basis and for meeting demands created by major conventions and special events. Even in the hours from 2:00 to 5:30 AM, at least six jitneys are always on duty. Jitneymen work from eight to 12 hours a day, depending on their schedules, six day a week.[9] Since all drivers keep their own receipts, information on their income is limited. Reliable estimates are that drivers gross about $175.00 a week.

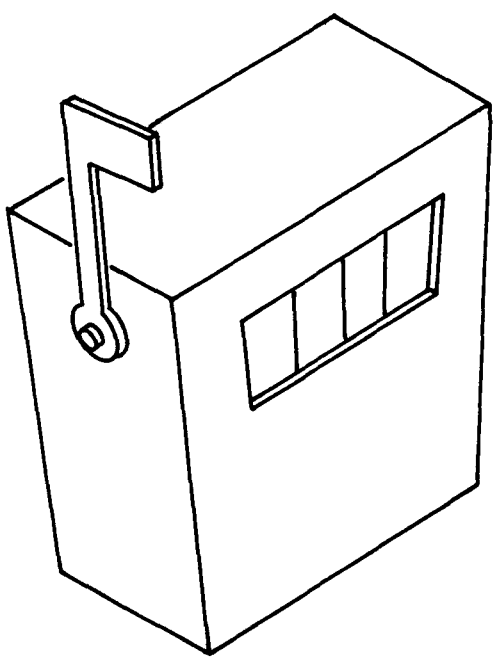
A private service, admittedly patterned after the Atlantic City jitney, was started in 1965 in Anaheim, California. Six routes are operated through the commercial and hotel/restaurant areas of Anaheim, also serving Disneyland, Knotts Berry Farm, and the baseball stadium. The small buses pick passengers up only at prescribed stops on the route but drop passengers off at any point. The busses are scheduled to operate on a zone-rate passenger fare and present an interesting cross between the conventional bus and the jitney.

Jitney service began in San Francisco during the 1915 Exposition and was later used during a 1916 streetcar strike. Today there are 117 jitneys, all individually owned or leased vehicles, which belong to one of two jitney associations. Operators originally used Cadillac limousines, but now use a mixture of Dodge, Chevrolet, and International vans. Although there are no schedules, jitneys are run on a four-minute headway during rush hours, 10-minute headways off-peak hours, along one of two routes—Mission Street or Third Street. Most of the 10-mile Mission Street route passes through the city's major business and commercial areas, while the four-mile Third Street route extends from Civic Center to Hunter's Point, a black ghetto. Drivers line up at either end of the route when they reach the end point and are "started" or staggered on the return trip according to the appropriate headway by employees of either of the two jitney associations.[10] Again no reliable information on the income of these drivers is available.

Some other modern jitney operations merit comment. In Baton Rouge, Louisiana, a number of blacks operate a jitney service from the black suburb of Scotlandville to downtown Baton Rouge, using old school buses. Within the city limits of Baton Rouge they run a closed door operation.[11] In the City of Miami, an all-black jitney service has been licensed and operating for over 40 years, carrying black workers from Liberty City, a Miami suburb, to downtown Miami via three prescribed routes. Although the routes of the jitneys are fixed, the schedules are not, but they generally operate between 5:00 and 9:00 AM and between 3:00 and 7:00 PM. Drivers, fares, and routes are under the supervision of the City of Miami, but most operational decisions are made by the owner-drivers themselves.[12]

This same type of pattern has been observed in several northern cities, but the northern operations are all illegal. An illegal jitney service has been operating for many years in Chicago in the black ghetto, although officially denied.[13] The New York Mayor's taxi commission estimated that the number of legal liveries operating illegally as jitneys or taxis in both black ghettos and downtown commercial districts might be over a thousand.[14] (These "liveries" are distinguished from the gypsy taxis to be discussed later because they are licensed only to perform a specific limousine-type service.)

An interesting operation, no longer in existence, was the St. Louis "Service Car" system. This sytem, which began in 1916 or 1917 during the American jitney craze, was in continuous operation for close to 50 years in St. Louis's black ghettos. All vehicles were individually owned, but all operation permits were in the hands of two companies and jitney owners paid for the privilege of operating under the permits. Some 85 vehicles of various makes ran along a roughly circular route from ghetto areas through the St. Louis commercial district and back to the ghetto. Service was unscheduled and often irregular. The jitneys often ran in direct competition with city transit lines, and a 1959 report on St. Louis's transportation system recommended that jitneys be eliminated because of their serious drain on transit revenues. A concerted political effort by ghetto residents and jitney owners apparently kept the system alive until 1965, when the operating permits of both jitney companies were purchased by the Bi-State Transit Authority. Individual jitney owners were not reimbursed for the losses.[15] Once again, jitney service was legislated out of business.



All of these systems were discovered by the author in discussions with people who had been involved in the transit industry for many years. Published research on American jitney systems is almost nonexistent. More than likely there are other such systems operating in America, both legally and illegally, of which the author has not been made aware. Another paper given at the American Society of Mechanical Engineers Transportation Conference has documented the growth of similar operations in middle-class suburban communities. [16] It seems that when a community develops a particular transportation need and this need is not met by traditional transit facilities operations like the jitney spring up to meet the need. Just as importantly, it appears that there are a large number of individual private entrepreneurs willing to provide this "unconventional" service.

The common denominator of all these jitney systems is that most riders are either downtown businessmen, shoppers, tourists, or ghetto residents. This seems to indicate that certain specific types of services are being demanded by the same kinds of people throughout the country. Two other examples may also illustrate this common group of transit needs unmet by conventional services: new downtown circulation systems and the modern jitney systems operating in foreign nations. Current patterns of taxicab usage, to be discussed, also show these similar needs for service.

MINIBUSES

In addition to the few jitney operations, a further indication of the demand by businessmen, shoppers, and tourists for a flexible downtown circulation system is the success of several downtown circulation system programs utilizing small buses operating on a jitney principle, i.e., along a fixed route on a flat rate per passenger basis. The most famous such system was inaugurated in Washington, D.C. In 1964 the District of Columbia implemented a low cost flexible transportation system in the downtown business area of Washington, a system very similar to the current jitney operations in Latin American cities, to be discussed. The Mini-buses,* as they were called, ran through retail core areas along a fixed route with frequent headways for a flat 5 cent fare. The demonstration project was deemed an overwhelming success and the service was taken over by the Washington Metropolitan Transit Commission. [17] The Commission has operated the Mini-buses continuously since the November 1964 termination of the demonstration project and has added two additional routes serving various government agencies and the course from the new Southwest development to Capitol Hill. [18] The Commission has upped the flat-rate fare to 15 cents and is currently running 14 buses in all, eight in the downtown area, on three-minute headways before 3:00 PM and on six-minute headways after 3:00 PM. (The cutback was due to lack of drivers, not patrons!) [19]

*Mini-bus has become a copyrighted trade name of the company that originally manufactured the Washington, D.C., buses. These buses were not so named in 1964, however; it is believed that the term was coined by a *WASHINGTON POST* reporter. Unfortunately, the term "mini-bus" has come into popular usage and is often used carelessly to refer to small buses or buses providing jitney-type service.

The success of the Washington, D.C., operation has spurred other cities, as well as core area merchants, to invest in such central business district circulation systems. The City of Detroit invested in two small bus routes in the downtown area in January 1969. One route, carrying 2000 passengers daily at a 10 cent fare, runs at three to five minute headways and is currently breaking even financially. The second "Miniloop" is not yet breaking even, but some route changes have been proposed to meet this problem. Above all, the manager of the operation reports that the City is still enthusiastic about the service. [20]

Several other cities are considering small bus circulation systems in their central business districts. The Southern California Rapid Transit District, serving Los Angeles, began operating a fleet of small buses to serve the Civic Center and the central business district in 1971. The 10 cent fixed-fare buses run on three-minute headways on fixed routes between 9:00 AM and 4:00 PM, Monday through Saturday. [21] Battelle Memorial Institute, in a 1968 study for the City of Columbus, recommended that the City institute an elevated "minitrain" system in the downtown core area, supplemented by small buses running on fixed routes with frequent headways. [22]

A number of downtown retailers are also willing to pay any costs of such a system, without governmental aid or subsidy, because they believe the service brings them increased profits. In Lincoln, Nebraska, 95 downtown firms are currently underwriting the Lincoln "Mini-Line" at a cost of $55,000. The four Mini-Line service buses carry approximately 850 passengers a day at a 10 cent fare and are far from breaking even, but apparently the businessmen involved feel it is serving their own needs. [23] As with jitney operations, it is entirely possible that the author has not been made aware of all systems of this type that are currently in operation; there are doubtless many more.

A brief look at modern jitney systems operating in large, foreign metropolitan areas gives an idea of the extent to which these systems can develop in an unrestricted market. In foreign nations, jitneys are viable and important parts of the urban transportation system. In Caracas and Buenos Aires, large jitneys (*colectivos*) carry more than half of the cities' daily travelers.[24, 25] An experienced observer reports that Santiago, Chile, and Lima, Peru, which maintain smaller, more traditional jitneys, provide even better and more organized service than Buenos Aires.[26] Manila, Phillipines, responding to a 1963 questionnaire sent by the City of Houston, reported that "jeepneys" and taxis accounted for 25% of the city's mass transit vehicles.[27] Seoul, Korea, reported that jitneys or micro-buses carried 15% of all daily passengers.[28] Teheran, Iran, reported that jitneys and taxis constituted its entire mass transit system.[29]

CURRENT OPERATIONS—THE TAXICAB

Taxicab operations were originally a free enterprise service, but today such operations in all American cities over 100,000, except three, are rigid monopolies or franchises. Some cities, such as New York, Chicago, and Boston, restrict the actual number of taxis that may operate within the city, while other cities limit the number of companies permitted to provide taxi service. Not surprisingly, the three cities not numerically limiting taxi service—Washington, D.C., Atlanta, and Honolulu—have far higher numbers of taxis per capita than the restricted cities.

Table 1 illustrates the large disparities between the taxis per capita in restricted and unrestricted cities. Certainly taxis-per-capita is a simplistic measure of the type of taxi service available in any given city, but the author's attempts to explain the larger number of taxis in the unregulated cities by the use of 11 different measures of economic and tourist activity has been unsuccessful.[30] The overriding factor in all cases is the lack of restriction on entry

♦ TABLE 1 ♦

NUMBER OF TAXIS PER THOUSAND POPULATION SELECTED AMERICAN CITIES 1970

City*	1970 Population	Type of Restriction**	Number of Taxis	Taxis/1000 Population
New York	7,771,730	N	11,722	1.5
Chicago	3,322,855	N	4,600	1.4
Los Angeles	2,781,000	C	885	0.3
Philadelphia	1,927,863	C	(1,480)	0.8
Detroit	1,492,914	N	1,310	0.9
Houston	1,213,064	C	473	0.3
Washington, D.C.	*746,169*	—	*19,144*	*10.2*
San Francisco	704,217	N	798	1.2
Boston	628,215	N	1,525	2.3
Phoenix	580,275	C	(99)	0.2
Pittsburgh	512,789	C	(600)	1.2
Atlanta	*487,553*	—	*1,900*	*3.9*
Minneapolis	431,977	N	248	0.8
Miami	331,553	N	431	1.0
Honolulu	*314,871*	—	*1,400*	*4.3*
Birmingham	297,364	C	245	0.8

SOURCES: 1. Department of Commerce, Census Bureau, Preliminary 1970 Census, April 1970.
2. Data from replies to General Research Corporation inquiries (September 1970). In cases indicated by parenthesis, data from an earlier inquiry, dated August, 1967, had to be used.

*These figures all refer to the city itself, not the SMSA (Standard Metropolitan Statistical Area).
**C = company restriction; N = numerical restriction.

into the taxicab market. Of the 13 restricted cities in **Table 1**, seven restrict the actual number of taxis, while six restrict only the number of companies, which in turn may operate as many taxis as they choose. The most important conclusion presented by the data in **Table 1** is that it is not mere numerical restriction which inhibits the growth of the taxi industry in any city, for the franchised companies could generally add as many taxis as they pleased. The most significant inhibition on taxi supply is the restriction in both types of regulated cities on the entry of individual owner-drivers.

Table 2 gives a historical perspective of the relationship between the number of taxis per capita in the original year of restriction (where applicable) and in 1970 for both regulated and unregulated cities (for those cities in **Table 2** where historical data is available). Because central city populations in most metropolitans SMSA's have been decreasing since World War II, the taxi-per-capita ratios for the regulated cities have tended to increase slightly although the number of taxis may have stayed constant for years (40 years in Boston!). There does not seem to be a definite trend over time among the regulated cities, but the three unregulated cities (two of which have experienced population increases rather than decreases) have all shown definite and significant increase over time in taxis per capita.

Table 2 indicates that taxi-per-population ratios may be unreliable for historical comparisons among cities, since they reflect the post-war population's "move to the suburbs" as an overall increase in available taxis (in the regulated cities). Actually, many suburban residents still work, shop, transact business, or play in the large cities and still make demands on that city's taxi supply. **Table 3** presents taxi ratios based on three key indicators of business and commercial activity within the city. Unfortunately, these indexes suffer from a different kind of incomparability; because of conditions unique to any city, a certain economic measurement may be very low, giving an artificially high taxi-to-index ratio, e.g., Los Angeles' small central business district retail sales. Thus comparisons *between* each city's indexes are generally unreliable, although large differences may be significant. However, historical comparisons *within* each city itself should be reliable; **Table 3** presents the taxi ratios for three economic variables in 1963 and 1968 for all **Table 1** cities where historical data is available.

The picture that emerges from **Table 3** is clear; in *every* restricted city the taxi-per-index ratio has decreased, even if only slightly in just a five-year period (this decrease is not always clear from the rounded-off figures). In every unrestricted city, every taxi-to-index ratio *went up* (except Honolulu's

• • TABLE 2 • •

NUMBER OF TAXIS PER THOUSAND POPULATION FOR NINE AMERICAN CITIES IN ORIGINAL YEAR OF RESTRICTION AND IN 1970

		Restriction Year			1970	
City	Original Year of Restriction	Estimated Population	Number of Taxis	Taxis/1000 Population	Number of Taxis	Taxis/1000 Population
New York	1937	7,297,630	13,556	1.8	11,722	1.5
Chicago	1963	3,482,140	4,600	1.3	4,600	1.3
Detroit	1946	1,759,001	1,310	0.7	1,310	0.9
Boston	1931	781,188	1,525	1.9	1,525	2.3
Minneapolis	1958	440,926	248	0.5	248	0.8
Miami	1949	249,276	431	1.5	431	1.0
No Restriction						
Washington, D.C.	1930	486,869	4,000	8.2	9,144	10.2
Atlanta	1967	487,490	1,300	2.6	1,900	3.9
Honolulu	1967	308,668	947	3.1	1,400	4.3

SOURCES: 1. Department of Commerce, Census Bureau, 1930, 1940, 1950, and 1960 Census of Population.
2. Replies to General Research Corporation inquiries, September 1970.
3. References 1, 4, 5, and 6.

service industry sales) in the same five-year period. Clearly the number of taxis is increasing in some relationship to the increase in economic activity in the unrestricted cities. It seems clear that increased economic activity caused an increase in demand for taxi service. The unrestricted cities have been able to fulfill this increased demand for taxi service while the restricted cities have been prevented from doing so.

The sketchy data* available on taxi users both validates the type of economic index used in **Table 3** and gives us an idea where the additional unfulfilled demand in restricted cities comes from.

*The only three major studies which compiled separate ridership figures and ridership characteristics for taxicabs are the 1956 Chicago Area Transit Study, the 1963 Pittsburgh Area Study, and the 1969 Tri-State Regional Profile. This last study gives data for New York City, which may be unreliable; it is estimated that there are 5000 gypsy taxis in New York, one-half as many as there are legal taxis. Therefore, the "legal" data gives an incomplete picture at best.

Leaving aside "home" trips, two distinct types of taxi trips emerge. One group of taxi users are "housewives, students, unemployed, retired, or incapacitated persons" traveling for social, shopping, or recreational functions or work-related activities but not to work.[31] The other group of taxi users are professionals going to work, to eat, or on work-related activities, most often in the central business district. The first group are generally non-drivers; the second group are generally drivers who do not care to drive.

The first group fits well with the traditional view of the "typical" taxi rider, but it should be made clear that a rider need not be well-off to fit the characteristics of this group. Although the taxi has always been considered a luxury vehicle, the poor actually use the taxi for a disproportionate number of trips. A study in Boston found that the poor used the taxi for five % of all trips and then, when car ownership was controlled, those with an income of under $4,000 used the taxi as a travel mode as often as those with incomes over $10,000.[32] Another Boston study found that those with incomes under $4,000 contributed 20% of all taxi income.[33]

♦ ♦ ♦ TABLE 3 ♦ ♦ ♦

NUMBER OF TAXIS PER THOUSAND DOLLARS OF SELECTED ECONOMIC ACTIVITIES—1963 AND 1968—FOR TEN AMERICAN CITIES

	Taxis/Thousand Dollars Central Business District Retail Sales		Taxis/Thousand Dollars City Retail Sales		Taxis/Thousand Dollars Service Industry Receipts	
City	1963	1968	1963	1968	1963	1968
New York	1.1	0.9	4.9	4.2	1.5	1.3
Chicago	1.9	1.6	0.8	0.7	2.0	1.6
Los Angeles	2.8	2.8	0.2	0.2	0.6	0.3
Detroit	4.6	3.9	0.6	0.6	1.5	1.2
Washington, D.C.	*21.0*	*21.8*	*6.2*	*6.3*	*16.9*	*17.8*
Boston	3.7	3.6	1.3	1.0	3.9	2.7
Atlanta	*2.9*	*4.1*	*0.9*	*1.0*	*3.1*	*3.3*
Minneapolis	0.9	0.8	0.2	0.1	0.5	0.4
Miami	3.6	3.4	0.6	0.5	2.1	1.7
Honolulu	*12.7*	*17.0*	*1.4*	*1.5*	*5.4*	*4.9*

SOURCES: 1. Department of Commerce, Census Bureau, 1963 Census of Business, Major Retail Centers and Selected Services.
2. Department of Commerce, Census Bureau, 1967 Census of Business, Major Retail Centers and Selected Services (done in 1968).

All indications are that the number of taxis allowed in restricted cities is far from the number demanded. Most large cities would use far more taxi service if it were available. In restricted cities, taxis tend to serve only the more profitable downtown business district (the "professional'. group of taxi users), leaving the inner city (the poor) and the suburb (housewives and students) poorly served.

Black inner city residents in many cities, and underserved businessmen in New York City as well, have partially overcome the lack of necessary taxi service through a variety of illegal means. Taxis in New York allow group riding, although the practice is illegal in New York as in most American cities. In addition, the *NEW YORK TIMES* has estimated that there are between 4,000 and 5,000 illegal gypsy taxis operating in New York City and its ghettos.[34] In Bedford-Stuyvesant, Pittsburgh's Hill district, and Cleveland's Hough, illegal gypsy taxis cruise the streets openly.

In the past, if the gypsy taxis stayed within the inner city they were left alone by the police and the legal taxi operators, a strong indication that the legal taxis did not really care to serve the inner city. When the gypsy cabs began to invade middle-class areas, the legitimate monopolies became worried. The New York Metropolitan Taxicab Board of Trade took a full-page ad in the *NEW YORK TIMES* on 13 January 1969 to warn customers of the menace they face using unlicensed cabs:

> Ignore them [the signs of an unlicensed cab] and you may be putting yourself in the care of a murderer, a thief, or even a rapist. The gypsy driver, by the very fact he solicits on the street, is at least a crook, but he may have big ideas which include you.[35]

Unfortunately, there *is* more danger involved in using a gypsy taxi, but the poor in restricted cities are often forced to make the decision between using a potentially dangerous travel mode or none at all.

On the other extreme, Washington, D.C., is the most striking example of the type of taxi service available in a *legal* nonrestricted taxi market. Although the number of taxis fluctuates slightly in Washington, in 1970 there were the same number of taxis in Washington as there were in New York City, although New York is almost 10 times larger. Fares in Washington are on a zone basis and group riding is allowed, making the taxi a convenient and often inexpensive travel mode for Washington ghetto residents. A significant feature of the Washington system is really the number of semiautonomous and autonomous operators who run their business as they see fit during the hours they feel like working, and who are clearly filling a demand for the type of service they offer. The economics of the free market seem to prevail—when a saturation point is reached, the less profitable operators drop out of the market.

As with jitney riders, there appears to be a common group of taxi riders. Here the evidence is even clearer that the group demanding this transportation service is larger than the group actually being provided the service. But in addition to a demand for more of the traditional service, there is clearly a demand for a different kind of service: group riding in taxis, a service which approaches the jitney. And most importantly, it is clear that there are men willing to provide both types of service, legally and illegally, if they can work for themselves.

CONCLUSIONS

The foregoing analyses seem to tell the same story over and over again. This paper has demonstrated very clearly that for over 50 years and through two world wars there has been a series of transportation needs that are not met by fixed-route or fixed-rail large vehicle systems. (The growth of the automobile has demonstrated the same thing.) These needs have always had pretty much the same character, even in widely different social and economic communities, dealing with shopping and commercial activities, business, and tourism. For over 50 years there have been people with enough initiative to be willing to provide service to fill these transportation demands and enough knowledge or common sense to know *where* the demand actually is. And just like clockwork, this analysis shows that fixed-route operators, themselves unwilling or unable to provide the demanded service, have managed to protect their interests against competition by restricting the flexible-route service out of business; the story of the 1918 defeat of the Los Angeles jitney reads the same as the 1965 defeat of the St. Louis service car. And once again, in every instance there seem to be people with more initiative—or perhaps just disregard for the law—who are willing to defy these restrictions to provide what gives every indication of being profitable and obviously demanded transportation service.

Perhaps the only new factor in the saga is the recent intrusion of the government in a positive way rather than in a purely regulatory fashion. But even the types of programs formulated by the government to solve these problems are not terribly new; in 1918, trolley operators tried several ways to beat the jitney in the free market. Some tried to offer jitney-type service but found they could not keep fares competitive because of their overhead, and this was in the days before strong unions and high labor costs![36] They offered to hire the jitney owner/operators but found jitney operators refused to work the same kind of hours for the same wages if *employed* by a trolley company.[37] The only strategy that seemed to have any effect was to simply increase transit service.[38]

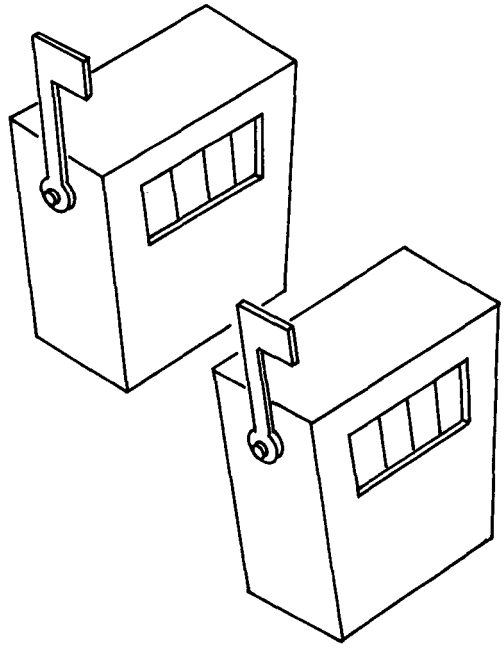
The message is clear; people of differing economic backgrounds provide the demand for an inexpensive and flexible type of transit service met best by small, frequently scheduled, flexibly routed vehicles. Others, namely operators of jitney-type vehicles, are willing to provide this service because they like working for themselves. Some of these owner/operators will provide the service even if it is illegal; more people would do so if it were not illegal. Demand would probably increase if the service were both legal and available because people would quickly adapt their needs to the new system.

PROBLEMS WITH THE SOLUTION

One approach to the problem presented in this paper is to admit the obvious fact that people of all economic means are seemingly able to get around unfair or silly restrictions and obtain transportation without the aid of the government. Political controversy would be avoided by simply letting the situation continue as it is. Unfortunately, to allow people to continue an illegal activity so that a city can have an adequate transportation system is basically unwise. More importantly, those drivers who are already breaking a law may find it easy to break other laws. The poor, who seem to be the greatest users of illegal taxis and jitneys, are generally the greatest victims of crimes anyway. Lastly, illegal operations that continue under a laissez-faire attitude of benevolent authorities have a very uncertain future; a 1969 study of the Hill District Model City Neighborhood in Pittsburgh recommended that illegal gypsy cabs be abolished immediately as a means of providing better "transportation coordination" in the area.[39]

The solution proposed by the author of this paper is to encourage the free-operation of taxis and jitneys in most metropolitan areas. Admittedly this proposed course presents many problems. Even if we establish basic insurance, safety, and licensing requirements to protect the public, and make sure that effective mechanisms are available to enforce these regulations, other difficulties arise. None of these difficulties is new, although answers have not been forthcoming.

Probably one of the most valid criticisms leveled against the jitney and the taxi in their early history was that they caused increased downtown congestion. In April 1930, a Public Utilities magazine claimed that 70% of all traffic at a major New York City downtown intersection (42nd and Broadway) was taxis and 60% of them were empty.[40] In London in 1966 when taxis in the West End went on a one day strike, the Ministry of Transport took the opportunity to measure traffic flows in the area; they found that all journey speeds in the area increased markedly in the absence of taxis: 78% in the morning, and 44% in the afternoon.[41] Preliminary surveys taken during the recent New York City taxi strike have shown a similar decrease in traffic congestion in the absence of taxis. This congestion is a



difficult problem to solve because congestion caused by many stops, and slow cruising is inherent in taxi operations. However, jitney operations tend to reduce downtown congestion; the Washington Metropolitan Commission found that the Mini-bus reduced congestion four % in downtown Washington. Perhaps the total congestion that arises can be viewed as an alternative to increasing the number of land-consuming parking structures, since an ample supply of taxis and jitneys may decrease the need for taking cars downtown.

In addition, another early criticism of taxis and jitneys was that they had high accident rates. In 1915, the National Municipal League claimed that Portland had experienced a 400% increase in accidents in the downtown area due to the introduction of the jitney, while Los Angeles had suffered a 22% increase in accidents.[42] Another magazine claimed that 20% of all New York *City's* traffic accidents in 1931 were caused by taxis, although taxis represented only two% of the *State's* registered cars.[43] While this may always be a serious difficulty, some of the accident problems would probably be eliminated by more stringent licensing and safety regulations and the resulting police enforcement of these regulations.

Another important and obviously true criticism of the taxi and the jitney is that they offer severe and often deadly competition to existing transit operators. In the second decade of this century when trolley operators, like their earlier railroad counterparts, were affluent, this seemed a far less important problem than it does now. Today most large city transit operations are publicly owned and generally heavily subsidized; they provide needed transportation services to many people, including inner city residents, who could not travel otherwise. Clearly many routes within a city are so heavily traveled that it is efficient and profitable to run a fixed route scheduled service. But most transit companies are running unprofitable lines as well, using the profitable lines to "cross-subsidize" the losing ones. This fairly common use of cross-subsidization suggests two solutions.

First, since many of the losing bus routes are in the inner city or in the suburbs (and often continued for that very reason), it is possible that use of expanded jitney and the taxis service would make these routes unnecessary. This leads to the second solution. If transit operators were no longer required to cross-subsidize losing lines, they would not need to make the same kind of profit on heavily traveled routs. The point at which the operation no longer requires governmental subsidy is the point where the taxi and jitney can be allowed to offer competitive service to the public. Some individual routes still may have to be totally protected from taxi/jitney competition or the competition might have to be restricted by time of day. (Most transit operators would welcome peak-hour competition if their rolling stock and labor could be based on their off-peak hour usage.) Restrictions to protect a certain group of *riders* may be contrasted with the normal procedure of protecting the transit *operators* who serve these riders. Such restrictions would seem relatively minor to metropolitan travelers as compared to services they lose now because of current restrictions on taxis and jitneys.

At the same time, taxi and jitney operations are clearly adaptable to the use of modern sophisticated techniques, particularly computer dispatch on demand. While the success of a demand-scheduled bus system may depend on the routing and scheduling ability of its computer algorithms, success will mainly depend on the level and kind of service demanded. From the data and analysis presented in this paper, the necessary demand for this kind of service would seem to exist in most metropolitan areas. A crucial consideration for policymakers is that current taxi and jitney operations can evolve into sophisticated transportation networks in the future.

PROSPECTUS

One of the most interesting aspects of a deregulated taxicab system or of a full-fledged jitney operation is the opportunity it opens for both consumers (i.e., passengers) and producers (i.e., drivers). Deregulation of taxi and jitney markets will increase the number of available vehicles and thus increase the quantity of this service available to both downtown travelers and ghetto residents. This appears to be an immediate and effective answer to some inner city transportation problems as well as to central business district circulation problems. In addition, the new transportation scheme might be an effective solution to some inner city employment problems; an inner city resident who would not now consider working for someone else as a taxi driver might well consider being his own boss as a taxi or jitney driver. In the early 1930s when the first monopolizing of taxicab systems began, a "concerned citizen" warned:

> [The taxicab business] has long been considered a logical haven into which the unemployed may drift . . . one of the chief requisites of licensees is that they be without visible means of support and have large families.[44]

This inversion of desired means over desired ends is almost amusing. Nevertheless employing the unemployed (with or without large families) as self-employed entrepreneurs in a free enterprise taxi or

jitney market does seem to be an effective solution to one of the problems of today's urban transportation.

No one claims that deregulation of the taxi and the jitney industry is easy or could be accomplished without great political cost. Mayor Lindsay of New York has been trying for eight years to reissue the less than 2,000 taxi medallions surrendered since the 1937 taxi limit was fixed. Pressure from the taxi industry has been strong enough to prevent him from doing so.[45]

No one can claim that there is a totally right or totally wrong side to this question. In many restricted cities, taxi operators had to buy medallions at prices ranging from $20,000 to $30,000; if free entry were permitted these medallions would become worthless. In any city where the jitney or the taxi offered severe competition to transit operations, bus drivers might lose their jobs. But the question to be answered is whether the rights of citizens of a metropolitan area are to be neglected in favor of "driver" rights. The mixed-up, half-legal, half-illegal transportation system operating in many metropolitan communities cannot be allowed to continued in spite of the costs that will be involved in changing it.

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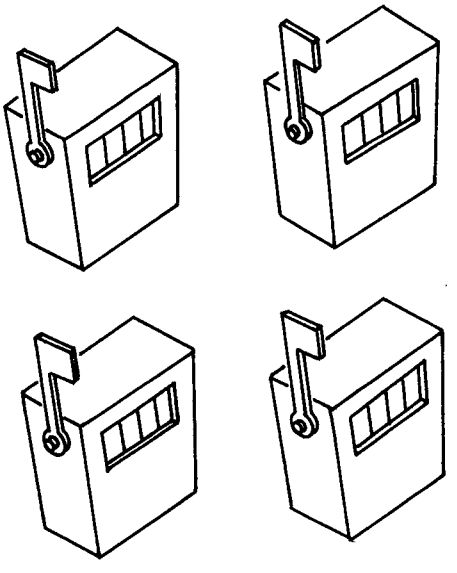

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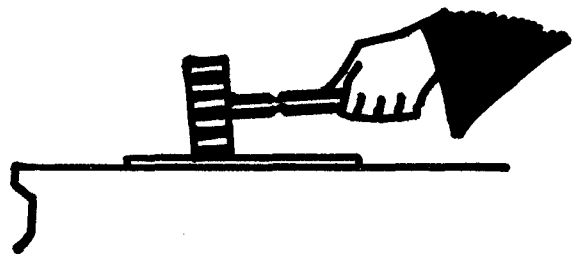
One of the perennial debates among libertarians concerns the question of justice: what is justice and by what means is it best provided? Within the larger debate between proponents of "limited government" and advocates of "anarcho capitalism" (free-market, competing agencies providing defense, arbitration, and restitution services), there is another controversy concerning justice and its implementation. This is the debate between those in favor of a conventional retaliation/restitution concept of justice on the one hand, and the libertarian pacifists on the other. The leading proponent of the latter view is Robert Le Fevre, founder and president of Rampart College, who here describes his concept of justice.



JUSTICE on trial

ROBERT LEFEVRE

I've been hearing a great deal lately about the so-called right to retaliate in an effort to maintain or regain justice. It seems useful to explore the origins of the concept of justice. Perhaps this way we can discover the source of the notion that the violence of retaliation is an integral part of justice.

JUSTICE/FAIRNESS

Most of us accept the idea that justice and fairness are more or less synonymous. We think of justice as an equitable exchange in which both parties to the exchange receive what each expects and agrees to accept. But we also think of justice as something that can be regained, once it has been lost. That is, many hold to the notion that when an exchange occurs which is not equitable, some element of force may rightfully be invoked in order to convert the non-equitable exchange into an equitable one. Thus, if a man takes a property from another against his will, the transfer is viewed as non-equitable; one man got what he wanted, but the other man was cheated. In this case, it is usually considered perfectly moral and just to employ force to regain the lost balance.

The concept of justice is deeply rooted in virtually all theological literature. The ancient Babylonians, Sumerians, and Akkadians were not unacquainted with it. Even more primitive peoples made "justice" the central theme of many of their religious observances. The fundamental concept of justice thus coming to us from its theological roots is that there is a straight line in nature which begins with the status quo. Justice, then, can be defined as a mystical concept relating to the presumed rightness of the status quo, symbolized by a straight line found in the balance of nature. Anything that causes that line to deviate from the straight is an act of injustice; which is to say that any tipping of the scales of natural balance in any direction creates a natural imbalance. In order for life to continue, that imbalance must be rebalanced.

ANCIENT EGYPT

Wigmore, in his three-volume study *PANORAMA OF THE WORLD'S LEGAL SYSTEMS*, shows that the early Egyptians designed the scale balance from this concept. Maat, the God of Justice, was often depicted in Egyptian art with scales at hand with which to weigh the good deeds and the evil deeds of the departing Ka. According the the Egyptian theology, the Ka, or soul of man, was compelled to stand before Maat on the day of judgment. His evil deeds were put on one side of the scale and a small white feather was placed on the opposite side. If the feather outweighed the evil, the Ka could proceed to the realms of eternal bliss. If not, the Ka was doomed.

AMERINDS

The Mesa Verde Indians who inhabited the cliff dwellings in the Four Corners area of Colorado had a similar concept, even though it was not so artistically elaborated. They maintained a Kiva, a circular meeting place with a prayer hole in the center of the

floor. Before any major efforts were undertaken by the tribe, such as a deer hunt, a wedding, or a migration (all of which were viewed in a social context), the spiritual forces (what was good for the social whole) had to be consulted. Then the soul of the Great Manitou was supposed to issue from the hole in the floor to tell them how to put the natural forces back into balance, since the event being considered would, by virtue of its character, tip the natural scales out of balance to some degree.

Thus, if the tribe wanted to kill a deer, it was necessary to seek propitiatory guidance first. There must be a dance or a ceremony of repentance for killing the deer, the "little brother" of the tribe. They would have to protest that they were not angry at the deer and thus that their deer hunt was not motivated by any desire to hurt the deer. Rather, they were hungry. So they apologized for the injustice they were about to cause the deer. By this process, they tipped the scales out of balance by anticipatory retribution, thus virtually assuring that the deer hunt would be a success and that, when the deer was finally driven to earth, balance would have been restored and justice maintained.

It is from this concept, hoary with age and nearly universal among primitives, that the Babylonians derived the "eye for an eye" justice. Hammurabi, the great Babylonian law giver, caused some 232 laws to be inscribed on a diorite stele at the main gate of Babylon, nearly a third of which ended in the death penalty and virtually all of which related to this theological approach to justice: the balance of nature maintained retroactively by government as an agent of the gods.

STATISTS ONLY?

Fortunately, at the present time, there are a few who are challenging the assumption that the State is the only or even a satisfactory agent of retaliation or retribution. But nearly all of the arguments I have seen which have recently emerged in favor of retaliation or retribution have zealously called for free-market agencies to perform the same functions presently conducted by the state. Instead of an imposed and involuntary monopoly of coercion locked into a political organization, these plans call for a voluntary and freely contractual relationship with any number of agencies which would organize for the purpose of providing retaliatory services.

This approach has certain merits. It would eliminate the onus of taxation. And it would permit the individual to select the agent or agency of his choice. Likewise, in some of the arguments suggested, the individual who decided for whatever reason that he didn't want any agent or agency to retaliate for him could refuse to contract for this service. Firm in the center of each of these arguments, however, is reliance upon the ancient theological dogma of an eye for an eye.

Some have even gone so far as to insist that, when an immoral action occurs and a man is victimized through some initiated breach of his rights, he then has a moral duty to restore the balance and the status quo. Although they have avoided the use of these specific terms, they have in fact argued in favor of the notion that the individual has a moral obligation to society to maintain the status quo, that is, to put the pieces back the way they were before the initiated molestation transpired. If a man can conceivably have a moral obligation before he has assumed it, then we open a Pandora's box and can suggest, with equal validity, that he also has a moral obligation to see that everyone is fed, clothed, housed, educated, and so on, *ad nauseam*, for the good of the social whole.

That single point, the notion of *a duty* to society to restore justice, is the least rewarding of the various concepts offered and is not a part of all of them, so let me confine my observations to the other aspects.

The Reverend Edmund Opitz of the Foundation for Economic Education has offered a number of good points in rebuttal to the argument of the pro-retributionists who object to a government monopoly of retaliation ("Must We Depend Upon Political Protection?" Opitz-LeFevre). In mistakenly identifying my position as advocating private *enforcement* agencies (I advocate private *protection* agencies), he pointed out that any agency which presumes to the power of the state, becomes in fact a state whatever it may be called. To have states competing over a given territory is to have a condition of war.

AJAX VS. TITANS

Let us suppose, for instance, that we have two competing protection agencies: the Ajax All-Purpose Retaliators and the Titan Regulators. They send

their salesmen into a given community and each one signs up a percentage of the total population. It is not reasonable to suppose that each agency will sign up all persons in a given block. Rather, it is reasonable to suppose that the Ajax people will sign up perhaps 30% of a given territory, the Titan Regulators will sign up some 25% of the people in the same territory, and about 45% of the people in the same territory won't sign up for either.

Now what do we do? An individual who signs up with Ajax is robbed. He suspects both his neighbors, either of whom conceivably had motive and opportunity. One neighbor has signed up with Titan. The other has contracted with no one. Now, the neighbor who has signed with Titan will certainly not permit rival agents to enter his home for a search. He has distrusted the Ajax people and won't tolerate their entrance upon his property. He calls for the Titan Regulators to retaliate against any Ajax incursion. The two rival agencies now face each other across a battle line. To carry out their respective contracts, they must make war on each other. Meanwhile, the individual who signs with neither and distrusts them both, and having no one to turn to, might either do his own shooting or become the victim of retaliation from either or both.

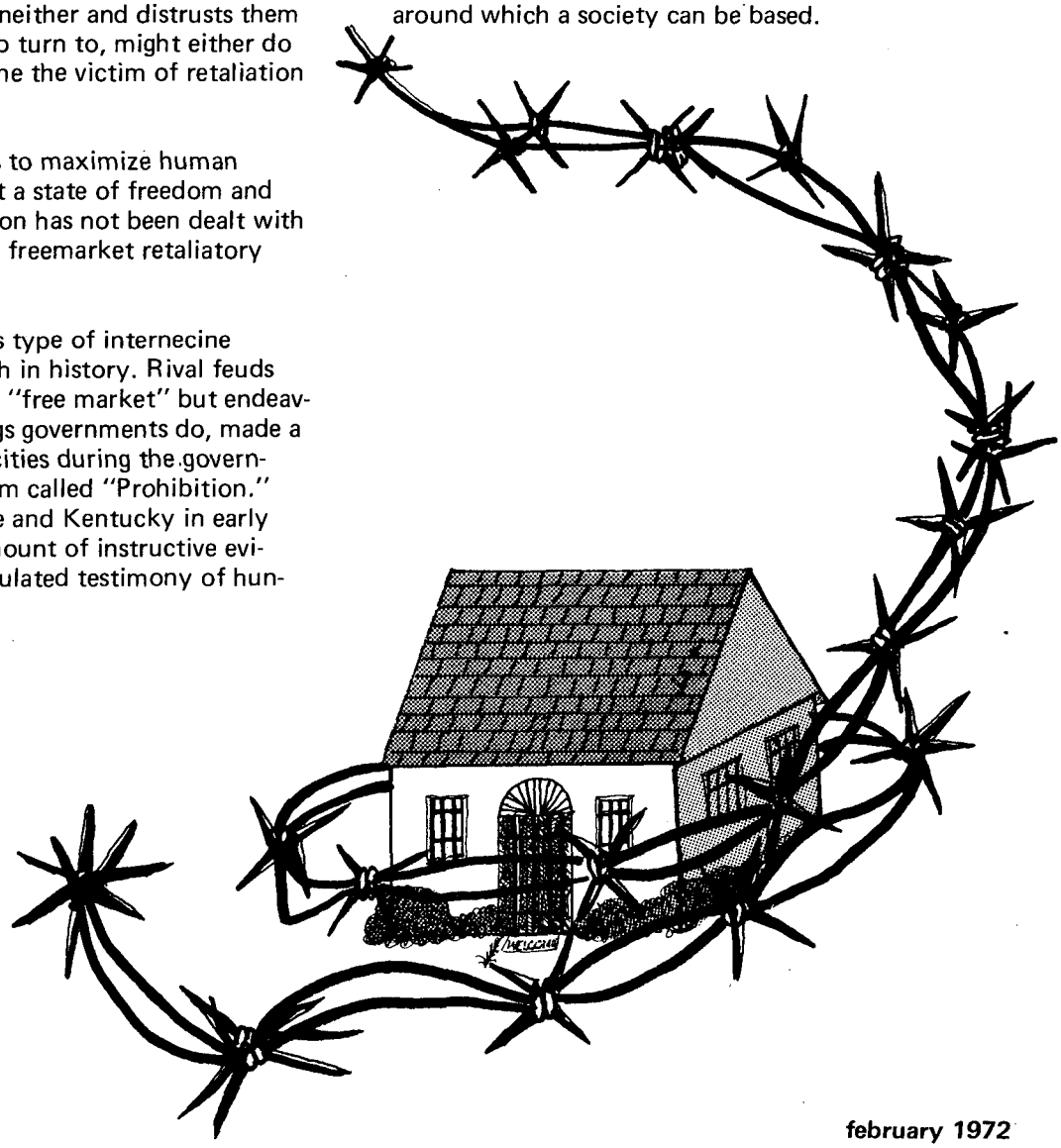
Just how this procedure is to maximize human well-being and bring about a state of freedom and peace in the area in question has not been dealt with by the proponents of rival freemarket retaliatory agencies.

I might point out that this type of internecine warfare is common enough in history. Rival feuds between gangs, acting in a "free market" but endeavoring to do the same things governments do, made a shambles of several large cities during the government's fantastic legal spasm called "Prohibition." Family feuds in Tennessee and Kentucky in early years provide a certain amount of instructive evidence. So does the accumulated testimony of hundreds of persons finding themselves under the pressures of various Vigilante groups. As long as we are worshipfully insistent on retaliation, vengeance, and "putting things back the way they were," we are going to fail of any solution worthy of the name.

GOVERNMENT?

Small wonder that most people, attempting to deal with the problem of protection, viewing protection and retribution as inextricably linked, and having been conditioned to accept government as the "all-purpose problem-solving mechanism," simply give up at this point and say, "I'd rather have a government of laws which are binding upon all, than competing rival agencies of retaliation which know no rules but their own. Even though our government is admittedly evil and wrong and increasingly alarming it is better than the alternatives suggested."

The problem relates to the deeply entrenched notion, imbedded in the religious mores of the people, that an "eye for an eye" is the only valid concept around which a society can be based.



My own views of the matter have been frequently put forth. I do not think we need a government to do the one thing government has always taken as its exclusive domain—retaliation. It is, in fact, the urge for retaliation, the thirst for vengeance, that ties us to the state or to rival agencies acting like smaller states, whatever they are to be termed.

If we begin to recognize the marvels of a free-market, then we can see that protection is a free-market service and that retaliation by its objective character, is something only an agency of force can accomplish.

FREE MARKET

A free market and an agency that denies a man the right to say "No" are incompatible. If a man may not say "No" to a stranger at his door, then the condition he faces is not that of a free market. To grant power to some to impose on others is to grant a power that no one rightfully has over another. To argue that some man has done something wrong and you merely want to restore the balance is to rely on the religious argument that somehow presumes that rightness can be retroactively imposed and maintained by force.

That's what heaven and hell are all about. The theological position is that the wrongdoer will be retroactively corrected in another life; the doer of good deeds will be rewarded at the same time. Without the concept of retroactive justice, neither heaven nor hell are useful ideas. The single contribution of the state is that it presumes to provide a heaven and a hell on earth and in this life time. Politicians are unwilling to leave the matter of vengeance and reward to natural forces or to a presumed divine pantheon whose specialties include both exquisite pleasure and joy, reserved for the chosen few, and layers and layers of infernos, each equipped with its own methods and devices for inflicting agony in retaliation.

To offer free-market agencies endowed with the power to inflict retroactive agony on those who presumably "deserve to be punished" is to set in motion all the necessary machinery to create a hell on earth.

Now, if we can get off this retaliation-retribution kick and think in plain terms, we may emerge.

REAL PROTECTION

Protection is possible. It can be morally obtained by anyone in a free market who will go out and with a little forethought purchase the tools or the devices that he believes will serve to protect him. And I have no objection to the concept of hiring guards or protective agencies, so long as their services are understood to contain only the element of protection.

Nor do I care how many subscribe to the Ajax All-Purpose Retaliators or to the Titan Regulators, if only we take the word and the notion of retaliation out of the contract. It follows that, if a person procures the devices or the agencies which are to protect him and he is protected, retaliation is impossible.

But what if he is not protected? Then let him go out and purchase better devices or the services of superior guards.

I might point out that this is the market-place procedure. If you pay for a proffered good and it doesn't provide the satisfactions you sought, then you patronize another supplier.

Nor do I object if you return to the party who sold you an inferior item and demand your money back, or seek by any and all moral means to obtain some type of restitution. That is well and good. Additionally, voluntary arbitration is always an available market service. And the necessity all men face in a free market (of having to deliver what they say they are selling or face a ruthless competitor, public indignation, and bankruptcy) will guide us here. Instead of seeking to retaliate physically, why not publicize the wrong that has been done?

But in a sense, isn't this retaliation, too? Yes, it is. And I do not think that it need be relied upon, for publicity is a fearful weapon and it has a two-edged blade.

YOUR GUARANTEE

What we come to learn in time is that in order to live, we are going to have to live in a world where there are few if any guarantees. Government cannot guarantee you against a wrong being committed: neither can a private agency. The only guarantee you can rely on is the one you make to yourself. You can guarantee to live your own life, reasonably, morally, and in a manner which minimizes the likelihood of violence being imposed upon you.

And if and when you are victimized, either by a bad product, a bad service, or a bad actor, you can learn a lesson from this and take the available precautions so that you will not suffer a second time. ◻

Economics, Ethics, and Epistemology

alan reynolds

As an understandable reaction to the crude, dogmatic empiricism of the German Historical School, Ludwig von Mises became an uncompromising spokesman for pure, a priori economic theory—untainted by sensory observation[1]:

> What we know about the fundamental categories of action is not derived from experience. We conceive all this from within, just as we conceive logical and mathematical truths, a priori, without reference to any experience . . . . As an a priori category the principle of action is on a par with the principle of causality . . . no kind of experience can ever force us to discard or modify a priori theorems. They are not derived from experience; they are logically prior to it and cannot be either proved by corroborative experience or disproved by experience to the contrary.

Note that the typically modest assertion that Misesist theorems are precisely analogous to math and causality is nowhere supported by any argument. More to the point, contrast Mises' remarks with those of Objectivist philosopher Leonard Peikoff[2]:

> Since truth is the identification of a fact of reality, a "non-empirical truth" would be an identification of a fact of reality which is validated independently of observation of reality. This would imply a theory of innate ideas, or some equally mystical construct . . . . Without reference to the facts of experience, man has no basis for his "logical" propositions, which become mere arbitrary products of his own invention.

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Mises, though, *does* claim to possess innate ideas leading to "non-empirical truth." Since this mystical notion conflicts so violently with Objectivist epistemology, we should examine its foundation. For simplicity, let us first consider a concise defense of Misesian method by Israel Kirzner[3]:

> . . . empirical confirmation of the theorems obtained by abstract knowledge is neither possible nor necessary. It is not possible, because there are no constants in the realm of human actions; it is therefore impossible to investigate the consequences of changes in one variable with assurance that no disturbance is at the same time being caused by changes in other variables. On the other hand confirmation of economic theorems is not necessary, because the theorems themselves describe relationships logically implied by hypothesized conditions.

First of all, the lack of constants, or of controlled experiments, in human actions needn't prohibit statistical predictions of useful accuracy. Probability statements, expressing relative frequencies of repeated events, are essential to any intelligent predictions of future experiences. We must act on the best available information about what is likely to happen in response to certain changes in prices, quantities, money units, etc. If the "impossibility of rationally comprehending life in its fullness and diversity" kept us from measuring relations between economic variables, it would likewise prohibit empirical work in the insurance business—which also deals with "unpredictable" human action[4].

While *perfect* prediction in such matters might imply determinism, a tolerable range of accuracy simply follows from the empirical fact that human action is,

as Mises paradoxically over-emphasizes, *almost* "axiomatic" in its regularity. If "knowledge of the essence of human action" were as simple as Mises implies, how could the same human action be so random that we couldn't measure it[5]?

INFORMATIVE OR SELF-EXPLANATORY TRUTH?

A statement may be constructed in a formally valid manner and yet be empirically false and vice-versa. Consistent relationships between statements do not insure that the elements of the syllogism are not nonsense or that the conclusion will not contradict reality[6].

The convention of separating analytic (self-consistent) from synthetic (empirically falsifiable) statements is a sometimes useful, though not exhaustive, categorization[7]. Much of the controversy surrounding the use of this analytic-synthetic dichotomy concerns the refusal of some of its users to admit that ethical reasoning is "meaningful," in the sense of being potentially capable of factual refutation.

There surely exist, however, at least in principle, some nonarbitrary limits on what can be considered good or bad. If, for example, that which is designated "good" must be conducive to survival of man as we understand him, then the needs of man and the relation of moral principles to those needs are subject to logical analysis and factual confirmation. There is, therefore, no reason why moral reasoning need conflict with the scientific method[8]. To say, as does Brand Blanshard, that the analytic-synthetic dichotomy necessarily excludes value statements, is to concede that value statements have no basis in logic or fact. Far from being a devastating criticism of positivism, this objection to the analytic-synthetic dichotomy instead involves a tacit acceptance of crude positivism's most glaring inconsistency.

Another problem with the separation of analytic from synthetic statements is that most significant questions require a blend of logical and empirical techniques. Peikoff is misleading, however, when he says the dichotomy necessarily implies that logically necessary propositions "do not represent knowledge of reality" but only "arbitrary whim." Analytically valid statements *do* represent reality—if their premises and elements conform to sensory experience—though logically certain propositions appear possible for only a small range of relatively unimportant matters. Experience is a test for rationally deduced knowledge of reality.

The basic issue here is: "What counts as a good *reason* for accepting an assertion?"[9] The Misesist answers that only a priori reasons count, and the naive positivist supposedly admits only a posteriori reasons. A more fruitful approach traces the growth of knowledge by a process of "conjectures and refutations." A relation between economic magnitudes is deduced, and this hypothesis is then tested against rival notions for its comparative ability to predict the effects of changes in the relevant variables. The hypothesis which is least-often refuted by observation is acted upon as true and certain (within the context of continually changing information and circumstances)[10].

Against this approach to discovery, Blanshard raises the dilemma of universals and particulars: "To falsify 'some swans are white' you must verify that no swans are white. Now you may have observed any number of swans and found no white swan among them, but that will never entitle you to say there are no white swans."[11]

This argument loses some power when you change colors: "You may have observed any number of swans and found no purple swan among them, but that will never entitle you to say that there are no purple swans." If any number of observations will never entitle me to say there are no purple swans, am I not likewise prohibited from denying the existence of unicorns or angels or of anything which anyone wishes to assert? Absence of contradictory evidence does not affirm the possible existence of purple swans[12].

POSITIVISM OR DEDUCTIVE TESTING?

In a letter to Tibor Machan, a prominent libertarian philosopher wrote: "Reynolds . . . knows nothing about epistemology, and hence seems to swallow the Friedmanite positivism, which holds, among other things, that sufficient research into economic statistics will give them a theory in economics, that they are verifying economic theory with their graphs and the like."

After conceding ignorance, I probably should define "positivism." Positivists stress the importance of sense data, generalize from particular observations (induction), and sometimes too-rigorously confine their definition of "meaningful" statements. Milton Friedman's hypothetico-deductive method, on the other hand, says "we cannot perceive 'facts' without a theory" and "the evidence for a hypothesis always consists of its repeated failure to be contradicted." "Factual evidence can never 'prove' a hypothesis," writes Friedman, "it can only fail to disprove it . . . . Observed facts are necessarily finite in number, possible hypotheses, infinite."[13]

Clearly, this does *not* say that research will yield a theory or even that graphs will verify a theory. It

says, rather, that measurements presuppose theories, and facts can only contradict theories. Since the "positive" aspects of economics deal with many measurable quantities (prices and quantities, rather than "value" or "social cost"), this would seem to be an especially mild and acceptable variation of "positivism."

Most objections to Dr. Friedman's 1953 essay on method concern his treatment of the "realism" of assumptions. In order to be descriptively precise, Friedman said, a theorem would have to be swallowed-up in endless minute detail. But the usefulness of theories depends on separating the essential from the trivial, on explaining much by little. For this reason, Friedman suggests "the relevant question to ask about the 'assumptions' of a theory is not whether they are descriptively realistic, for they never are, but whether they are sufficiently good approximations for the purpose in hand. And this question can be answered only by seeing whether the theory works, which means whether it yields sufficiently accurate predictions."[14]

Many detractors have wrongly interpreted this Chicago methodology to imply that logical analysis of a theory is never appropriate. G. C. Archibald, for example, criticizing Friedman and Stigler's critique of "monopolistic competition," said "they have concentrated upon *a priori* discussion of his assumptions, instead of on discovering what facts were needed to give the theory content, and endeavoring to obtain them so they might test it." George Stigler correctly replied that "the possibility that a theory will yield useful predictions is reduced by logical weaknesses in its construction."[15] If the implications of a theory are ambiguous and/or self-contradictory, the theory *cannot* be disproven and is therefore empty. "Sensation is the test of truth," said Will Durant, "but reason is its discoverer."

PREFERENCE AND DESCRIPTION IN ECONOMIC DISCOURSE

Tibor Machan recently revived a favorite complaint of both Austrian and Chicago economists and turned it against them. Murray Rothbard's version of Machan's lament is that "economics . . . is filled with implicit moralizing."[16] Chicago patriarch Frank Knight completed the thesis (in 1940) when he wrote: "In so far as any treatment of economics makes explicit references to the merits of any social policy, some theory of value, beyond factual preference, is necessarily involved."[17] In line with this tradition, Machan begins by arguing that Ludwig von Mises must consider socialism ineffective because it doesn't satisfy human wants, and that this presumes an ethical position which should be made explicit, rather than denied.

Mises' reasoning could, however, easily be interpreted to mean only that socialism cannot achieve the results claimed for it by its advocates. This position would not require making any value judgments but only factual predictions: To the extent that socialists practice those distortions of the market which they advocate, they will confuse the measurements of scarcity and desire (prices and incomes) required to attain *any* goal without considerable waste. Trial and error price-administration, proposed by Lange as a solution to this dilemma, could achieve optimal trading efficiency only if the "socialist" state didn't influence the initial positions of the trading units or the terms of trade (i.e., no income redistribution, price control, taxes, or unmarketed capital and land)[18].

Machan next generalizes from this allegedly ethical basis of Mises' rejection of socialism and implies that *no* aspect of *any* economic question can be answered apart from ethical considerations (that is, no "value free" economics is conceptually possible). This is a strong suggestion and one which does not at all follow from the observation that moral judgments are often implicit in what are alleged to be purely factual or logical descriptions of reality.

Milton Friedman proposed clear separation between "positive economics," concerning what is, and "normative economics," concerning what ought to be. Whether or not the normative issues are scientifically defensible, as Machan and I believe, positive economics can and does provide "a system of generalizations that can be used to make correct predictions about the consequences of any change in circumstances."[19]

"Let us admit," says Machan, "that value theory as an enterprise is not in good shape. Neither, however is any theory (least of all logical positivism, the philosophical foundation of positive economics) which holds that judgments of value ('X is valuable') *cannot* be true or false."[20] But positive economics is only a method of acquiring predictive knowledge and is compatible with any and all schools of moral philosophy.

This independence of positive and normative issues seems tacitly acknowledged by Machan's remark that Mises' ethical subjectivism "has nothing to do with economics." Indeed, positive economics is the very enactment of Machan's prescription that social scientists should "stop acting as if they could incorporate into their own analyses ethical and political problems."[21]

Perhaps the best reconciliation we can derive from this detour is that economics has factual and ethical aspects and that both should be explored with all promising techniques of analysis and research.

SUMMARY AND CONCLUSION

I have tried to show that 1) the epistemologies of von Mises and Peikoff are polar opposites; 2) empirical confirmation of economic theorems is generally possible and desirable; 3) the scientific method is not embarassed by objective ethics or the formal non-falsifiability of particular possibility assertions; 4) Friedman denies positivism's antitheoretical position and refutes inductions; and that 5) Chicago economists expressly acknowledge the need for reasoned ethical views but for views which are carefully distinguished from factual assertions.

An economist venturing out on the dry and dusty road of philosophy encounters many unusual characters. At one point he finds someone telling him not to think; later he comes upon another telling him that thought is everything, so he should close his eyes and stuff his ears. One group may tell him that whatever he wants is right, while still another claims that whatever *they* want him to do constitutes his moral obligation.

Without getting too deeply mired in this slush, I have hopefully provided enough words to show that the "Chicago" methodology is consistent with Objectivist ethics and epistemology, while von Mises' subjectivism and a priorism definitely is not[22].

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Continued on page 28

Poul Anderson
and the men who count
JOHN COSTELLO

A science fiction writer paints, if not a complete, at least an internally coherent universe for his stories. Sometimes this process of "reality building" is subconscious, starting with a single story to which one continually adds fresh sequels, as witness James H. Schmitz's myriad worlds of the Hub; other times the process is performed consciously, as part of a definite plan, as by E. E. Smith and his "Lensmen" series [and Robert Heinlein's "Future History" series—Editor].

Poul Anderson has created several such realities, the most interesting of which will be the subject of this article; it stretches some 6,000 years in the history of the human species, from the transforming of the moon ("To Build a World"[1]) to the era of man's interstellar renaissance.

INTERSTELLAR MAN

Chronologically, Anderson's series pictures the expansion of the human race throughout and beyond the solar system after a series of brutal socio-religious wars. Worlds settled by libertarians flourish, ushering in the Polesotechnic League of merchant capitalism. The League declines and, after the "troubles," comes the birth of the Terran Empire. As the Empire grows increasingly more statist, it brings on its own doom and the Long Night sends many of the human-settled worlds of the galaxy back into savagery. Anderson's final stage (as of this writing) depicts the Commonality, a tremendous, purely voluntary, profit-oriented free trade organization.

Anderson appears to have developed the essential ideas for this series in 1955. "A World Called Mannerek"[2] depicted the occasional torturous rebirth of interstellar civilization after the decline of the Empire. Stories dealing with the Empire and its decline appeared before stories dealing with the Polesotechnic League; one might almost say he wrote this series "backwards."

The Empire is introduced in the early 50s with Captain Sir Dominic Flandry, a swashbuckler á la Errol Flynn and sharing many characteristics with the then-unborn James Bond. Flandry starts his published life by comparing the Empire to a rotten banana—the infection goes deep, but as yet no spots have appeared on the smoothly textured skin. The latest stories dealing with young, eager, and intensely idealistic Ensign Flandry[3] show him to be determined to save the remnants of Technic civilization from the encroachments of the green-skinned, "gator"-tailed Merseians and the bungling of the appeasement-oriented imperial bureaucrats.

SOLAR SPICE AND LIQUORS

In 1956 Anderson's most interesting (and, from my standpoint, most real) character appeared in *ASTOUNDING* (now *ANALOG*). Nicholas Van Rijn, owner of Solar Spice and Liquors, Inc., a mixture of Shakespeare's Falstaff and Edmond Hamilton's Giles Habibula, is shown seeking his "Margin of Profit"[4] while outwitting slavers and would-be imperialists.

Van Rijn is *THE MAN WHO COUNTS*, a double pun played for all it is worth in a novel mis-renamed *WAR OF THE WING MEN*[5]. Marooned with two companions on a world where men cannot eat the native food, Van Rijn stops a local war and brings both warring factions together to save himself. The plot theme is the entrepreneurial function, although Anderson skillfully diverts the reader's attention until the last three pages.

MORAL PRINCIPLES

In "Margin of Profit" Anderson states the cardinal principles of the society he has devised:

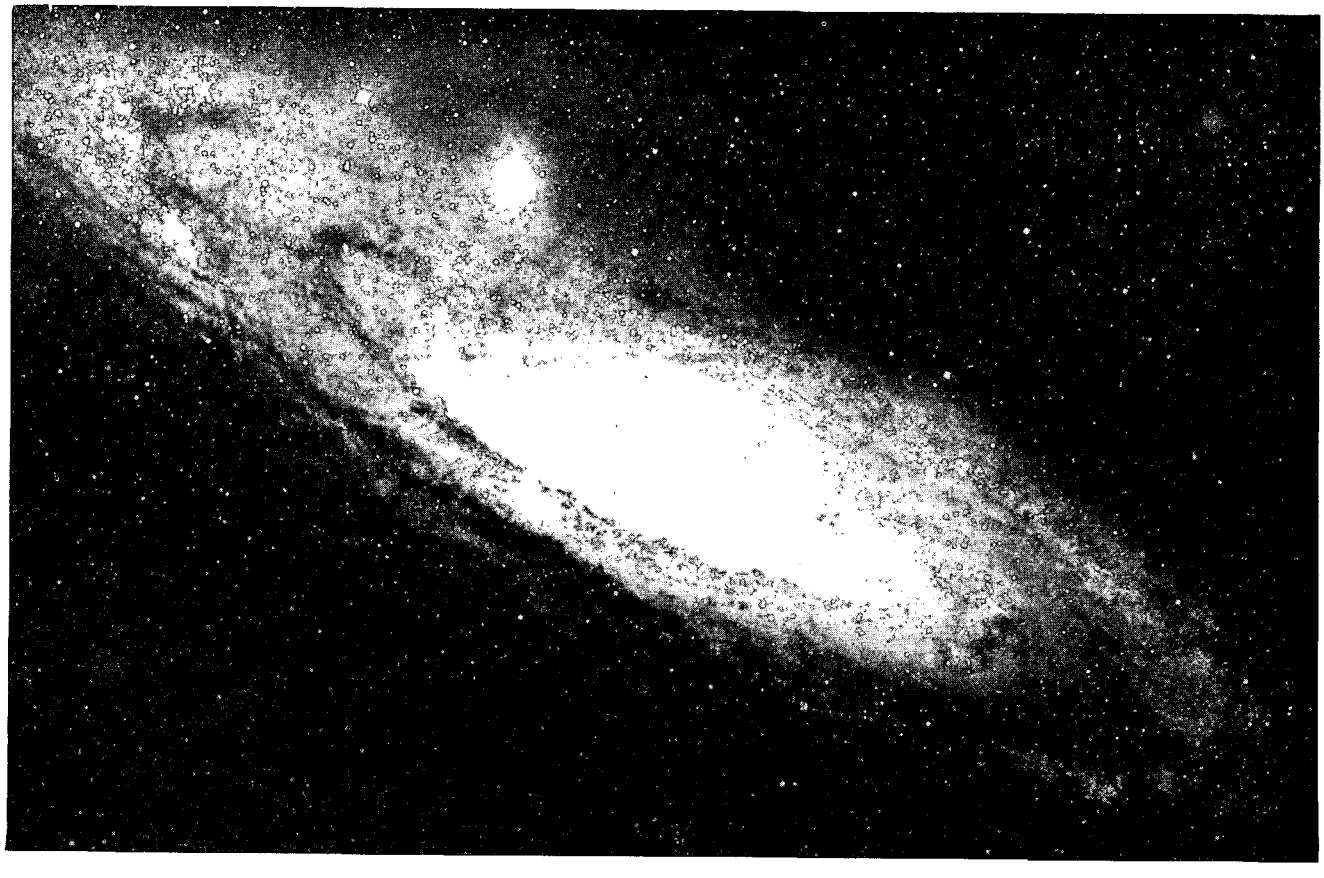
> Selfishness is a potent force. Governments, officially dedicated to altruism, remained divided; the Polesotechnic League became a super-government, sprawling from Canopus to Polaris, drawing its membership from a thousand species. It was a horizontal society, cutting across all political and cultural boundaries. It set its own policies, made its own treaties, established its own bases, fought its own minor wars, and, in the course of milking the Milky Way, did more to spread a truly universal civilization and enforce a lasting *pax* than all the diplomats in the galaxy.
>
> But it had its troubles.

Anderson's stories describe these troubles and the ways in which they are solved by Van Rijn and his *TROUBLE TWISTERS*[6]: David Falkayn, tall, cool-headed, blond, and human in all essential attributes; Chee Lan, given to perjorative remarks, short, furry, feline, and anything but "cute"; Adzel, huge, scaly, centauroid, saurian, and warm-blooded, very much the Buddhist dinosaur.

They save the Merseians from a close supernova in "Day of Burning"[7], establish contact with numerous non-human intelligent species, and discover *SATAN'S WORLD*[8] in time to defeat the seemingly inconsistent Shenna, all the while raking in profits for Van Rijn and Company.

THE LONG NIGHT

Even with the heroic efforts of Flandry of Terra, the Long Night cannot be postponed forever. Because of the breakdown of interstellar trade, the isolated



colonies develop on their own, those that survive. Some forget their heritage, others mutate due to a small initial gene pool and other factors. In *LET THE SPACE MAN BEWARE* [9] the settlers on Gwydion are found to possess inherited temporary insanity; on another world the act of cannibalism is a must for human sruvival ("The Sharing of the Flesh"[10]), while on Kirkasant, the world of "Starfog"[11], the colonists have gone native in an environment where plutonium can be mined and have altered from the human "norm" until they find food a bit bland unless it is salted with arsenic trioxide.

Anderson depicts his future worlds with brilliant colors and suspenseful action, with a blend of anthropology, sociology, economics ("Birthright"[12]), and hard science. Outwardly his stories are tremendously optimistic (man does, after all, survive). His own philosophy, while explicitly libertarian (he was, to my knowledge, the first professional writer to use the word), is a form of Byronic existentialism. In the 6 January 1964 *SCIENCE FICTION REVIEW* he wrote, "Beneath all the fun and games—life is tragic and man's highest destiny is to accept this and not yet lose heart. One way of losing heart is to get too deadly solemn."

Anderson is one of the best science fiction writers of the last three decades, and his dour philosophy can certainly be forgiven him, for he has, above all, depicted Man the Doer, Man the Achiever, the men who count.

In "The Critique of Impure Reason"[13] he characterized the stories he did not like and did not write: "Piddling little experiments in the technique of describing more and more complicated ways to feel sorry for yourself—what kind of entertainment is that for a man?" ◻

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An earlier version of the present article appeared in *ERGO* (16 Sept. 1970) a libertarian newspaper published on the MIT campus. ◻

Continued from page 25

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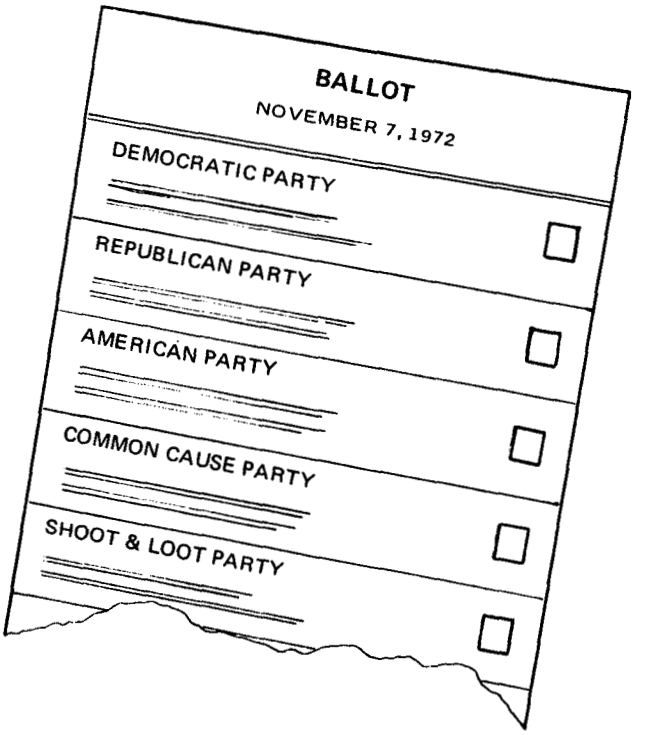
[10] Machan, T. "Has the Sceptic Won?" *INDIVIDUALIST* (May 1971), p. 17.

[21] *Ibid.*

[22] For further comparisons of these "Divergent Approaches in Libertarian Economic Thought," see Kirzner, *op. cit.*, and A. Reynolds, "The Purge of Chicago Economists," *REASON* (July 1971). ◻

laugh about it,
shout about it,
when it's time
to choose,
any way you
look at it ...
you lose



Simon and Garfunkel had a good point; the more you "sit upon your sofa on a Sunday afternoon, listening to the candidates debate," the grimmer it looks. No matter which way you slice it, the choice between the major-party candidates this year isn't going to offer much for libertarians; they're all going to be collectivists of one sort or another.

There is an alternative, though. We can run candidates of our own . . . and that's exactly what quite a few libertarians have decided we ought to do.

If you'd like to help — in choosing and promoting those candidates, and in formulating the platform they'll run on — we'd like to hear from you.

Who are we? We're a new and rapidly-growing libertarian political party (several hundred members to date). To learn more about our plans — and to become part of them — send us $1.00 (no freebies). We'll send you a copy of our temporary platform, our latest newsletter, and a membership application. Do it today; November is getting closer every minute.

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trends

UNSELLING GIANT GOVERNMENT

In a talk before the Association of Direct Marketing Agencies, John Zeigler, president of John Zeigler, Inc., the country's only cause and environment advertising agency, proposed a new campaign theme for the advertising community: "unselling" big government.

"Advertising's real enemy is not the FCC or the consumerist critics," Mr. Zeigler said. "The major threat to our livelihoods as communicators is the concept that a 'protective' government is anything less than a coercive one.

"As a group, we ad people have failed to strive for a decentralized free market—the basic necessity for our own survival. By not opposing the wage-price freeze, vocally and with every communications talent in us, we've masochistically written a blank check for economic dictatorship. And then we wonder why other personal freedoms (from racial justice to the rights of journalists) are gradually eroding. We're faced with a selection of political candidates who are morally and philosophically bankrupt. Continuing to vote for them is weakness enough. But we even make ads for them. While we complain about militarism abroad and their other handiwork, we are, in truth, condoning it.

"Rather than remaining in the mire of defensive maneuvers, like explaining ourselves to Federal agencies and running ad campaigns to tell the public why they should love ad campaigns, we could appropriately be mounting an offensive advertising battle against the statist mentality that hands more and more power to men incapable of using it—against the prevailing attitude that government can do no wrong. We say we want no controls over our professionalism, but our *in*action betrays us. Our silence and apathy clearly show freedom is the last thing we want.

"We permit government to broaden its assaults on individual rights by the most insidious and subtle of all destructive tools: taxes. At the point of an IRS gun we are compelled to subsidize (1) a public education system that robs young people of their intellect, curiosity, and joy, (2) a welfare system that robs human beings of the incentive to achieve a useful, creative, productive life, and (3) a determination—through the use of force—to cram our values down the throats of other nations.

"The American businessman, by supporting totalitarian schemes like the wage-price freeze and by running to Washington for handouts and subsidies á la Lockheed, has clearly established once and for all his anti-capitalistic orientation.

"People probably ought to be reminded that Capitalism—not a mixed economy supported by big government hell bent on human engineering—offers our best chance to achieve human dignity. And human dignity starts with the right of the individual to control his own life, make his own decisions, and not have the views of others imposed on him .

"Maybe advertising people can reeducate business and the public through the only effective communications tool left to help people *un*learn, *re*think, and start fresh—the media." Ziegler's agency has prepared ads for such "cause" groups as Friends of the Earth, the National Audubon Society, and the National Council of Negro Women.

SOURCE: Press release of John Ziegler, Inc., 15 December 1971.

DO WE REALLY NEED THE FDA?

One of the more sacred of Washington's sacred bovines has long been the Food and Drug Administration. Only in recent years, with the rise of health-food advocates and of the NAS-NRC drug efficacy studies, has there begun to be direct challenge of the agency's right to dictate what substances shall or shall not be on the market.

Recently, in a significant turn of events, *PRIVATE PRACTICE*, the official publication of the Congress of County Medical Societies, has carried several articles attacking the FDA, questioning not only specific policies, but also the agency's whole raison d'etre. In a long detailed article, the magazine's Washington correspondent Allan C. Brownfeld discussed the wonder-drug DMSO and the FDA's systematic refusal to license it for use. DMSO has been tested and found effective both as a pain-killer and as a transfer agent for other medicines. It has been used safely in Europe for years but, because of political hyper-caution, the FDA refuses to license it here. This situation has so incensed the medical profession and Congress that Representative Wyatt and Senator Hatfield have introduced a bill to remove drug testing completely from the FDA, transferring it to a "nonpolitical, scientific body," so as to "protect the public from its protector," according to Senator Hatfield.

An article in another issue takes the FDA to task for banning a number of fixed-combination drugs due to a NAS-NRC finding of "lack of substantial evidence of effectiveness, or that an unfavorable benefit-to-risk ratio exists." The author, a practicing physician, rightly asks why the FDA should have the power to make decisions as to what is "substantial evidence of effectiveness" for a particular individual patient or to arbitrarily decide what is an acceptable risk.

Author Brownfeld sums up the case against the FDA's coercive powers to deny people medicines in the following words:

> Government bureaucracy has been known for waste and inefficiency in all areas of activity. In agriculture, housing, welfare, and other areas it has not solved the problems for which government programs were initially instituted but have often compounded them. But in those areas the results have been only costly in dollars, not in lives. To leave a similarly inefficient and ineffective bureaucracy in charge of the approval of new drugs can cost the American people far more than tax dollars. The life and health of the American people lie in the balance . . . .

SOURCES: "DMSO and the FDA Roadblock." by Allan Brownfeld, *PRIVATE PRACTICE*, October 1971, pp. 14-19.

"The FDA and the Efficacy Insult," by Hans G. Engel, M.D., *PRIVATE PRACTICE*, November 1971, pp. 18-20.

PUBLISHER SPEAKS OUT

Publisher Eugene Pulliam of the *ARIZONA REPUBLIC* devoted the entire front page of this newspaper to an editorial attacking the growth of government. The editorial began:

> The most serious threat to freedom in America today—including freedom of the press—comes from a Federal bureaucracy which seems determined to gain control over every facet of American life.

The editorial concluded with the following words:

> Here in America the bureaucrats are forcing the United States, step by step, to accept a system of government that will destroy free enterprise, local control of our educational system, and, most important of all the right of free expression, the fundamental right of liberty. If the bureaucrats succeed, freedom as we know it in America will be lost—maybe forever.

SOURCE: *THE ARIZONA REPUBLIC* 24 October 1971 (reprints available from the Promotion Dept. Phoenix Newspapers, 120 E. Van Buren St., Phoenix, AZ 85004.)

EXPERIMENT IN OWNERSHIP

The "inability" to perform controlled experiments in the social sciences is accepted as a truism. Yet occasionally conditions in reality are such that the requirements of a controlled experiment—two sets of conditions identical in all but one important respect—exist. Such conditions have existed for 14 years in the Australian aviation industry. There, side by side have existed two domestic airlines, Trans Australian (TAA) and Ansett ANA, differing only in that the former is government—owned while the latter is a private company (owned by stockholders). The two airlines are literally the same in all significant respects: routes, aircraft types and quantities, passenger and freight rates, and even arrival and departure times. All these provisions are contained in various Australian laws and are the result of a continuing political battle between the Conservatives (who favor completely private aviation) and the Laborites (who favor nationalization).

Given this unique situation, David G. Davies of Duke University set out to test the hypothesis that private ownership should result in greater efficiency in the private firm, *all other things being equal.* Davies collected detailed operating statistics for both carriers from 1958 through 1969 and set about devising measures of productivity (in terms of ratios of output per employee). The results were unequivocal: the private firm (Ansett) had consistently greater productivity (in *every* year studied.) Its revenue generated per employee averaged 13% higher (ranging from nine to 23% over the year), its passengers carried per employee averaged 22% higher, and its freight carried per employee averaged 104% higher. And all of this with identical prices, routes, planes, and schedules. There would seem to be a lesson there for the politicians.

SOURCE: "The Efficiency of Public vs. Private Firms," by David G. Davies, *JOURNAL OF LAW AND ECONOMICS*, Vol. XIV (1), April 1971, pp. 149-66. (University of Chicago Law School, 1111 E. 60th St., Chicago, Ill. 60637).

publisher's notes

• A group of California libertarians associated with Rampart College has formed the League of Non-Voters, in order to "challenge the power of American government and draw public attention to libertarian ideas." The group plans to campaign for a massive boycott of the polls until every ballot contains a provision enabling voters to vote against *all* candidates or measures thereon. Founding member Sy Leon noted that "Since a choice between politicians is no choice at all, the only way free men can cast a 'no' vote is to cast no vote—to boycott the electoral process which sanctions and strengthens the political structure. Don't consent to be governed."

• Associate Editor Tibor Machan has had another article published in the *JOURNAL OF HUMAN RELATIONS* published by Central State University, in Ohio. The article, entitled "Condition for Rights: Sphere of Authority," appeared in the 2nd Quarter 1971 issue, pp. 184-87.

• An excellent letter in opposition to Nixon's NEP appeared in the 6 December 1971 issue of the *WALL STREET JOURNAL*. The letter challenged the impression conveyed by the media "that there exists only scattered opposition to President Nixon's New Economic Policy among economists." It noted that "this impression is in error in that it ignores the view of many economists that [the NEP] represents a violation of basic principles of human liberty and efficient economic organization." The letter went on to document these charges at length. It was written by Robert Ayanian and Glenn A. Gotz, graduate students in the UCLA Department of Economics, and signed by 10 faculty members and 19 other graduate students.

• Bernard Siegan, Chicago attorney and author of the widely-acclaimed study "Nonzoning in Houston" (see "Trends," *REASON*, March 1971), has been touring the country speaking to various groups on his findings that zoning is at best irrelevant and at worst destructive. One such speech was published in the 21 June 1971 issue of *BARRON'S* under the title "Tear Down the Fences? Zoning—to judge by Houston—Does More Harm than Good." The article has since been reprinted in various other newspapers.

• A letter from Nathaniel Branden appeared in the December 1971 issue of the *APA MONITOR*, published by the American Psychological Association. In his letter Mr. Branden challenged a recent APA position paper which had endorsed a national health care system to which "all persons should have equal access . . . regardless of ability to pay." Mr. Branden noted that "this means that physicians and psychotherapists are obliged to provide such services whether or not they wish to do so. Taken literally, this is advocacy of involuntary servitude." He went on to discuss the basic immorality of the proposal, pointing out that "man is an end in himself, not a means to the ends of others . . . physicians and psychotherapists are to be penalized rpecisely because they have so great a contribution to make to man's welfare; this is virtue and achievement turned into a liability."

letters

REVISIONIST PLANNERS

To my knowledge, Editor Robert Poole (*REASON*, November 1971) is the first person to identify the growing body of literature by such authors as Martin Anderson, Edward C. Banfield, Jay W. Forrester, and Jane Jacobs, as "revisionist urban studies." Unless otherwise established, Mr. Poole should be given credit for naming this phenomenon and bringing it into focus.

As a revisionist urban planner, I have been observing the development of this heresy with great interest. Until fairly recently, the number of revisionist scholars could be counted on one hand; it now takes two. Of special interest is the fact that most of the literature has been published within the last five years. This is no doubt due to increased attention being directed to the urban scene as a result of escalating urban violence and the deteriorating state of affairs in many large cities.

The four authors cited in the November editorial were only a sampling and were not meant to exhaust the list. I can think of three additional revisionists who would be appropriate in any such listing. Bernard H. Siegan ("Non-Zoning In Houston," *JOURNAL OF LAW AND ECONOMICS*, April 1970, also see "Trends," *REASON*, March 1971) has made a very significant and timely contribution. He clearly demolishes the zoning myth and demonstrates that zoning is, at best, an unnecessary ritual, and at worst antisocial, resulting in such distortions as inflated and depressed land values, higher rents, the protection of slums from competition, an impediment to innovation, and the misallocation of resources.

Poole acknowledges that the libertarian reply of "laissez-faire" as the solution to the failure of urban planning automatically raises the question: How would this be achieved? This brings to mind two revisionists whose ideas relate directly to the *how* of administering and shaping urban form in the free society. They explain the rationale of a naturally emerging alternative to taxation and political administration of cities which in my estimation holds great promise. This innovative point of view was originally put forth by Spencer Heath in *CITADEL, MARKET, AND ALTAR* (Baltimore, Md.: The Science of Society Foundation, Inc., 1957) and has been further developed by Spencer Heath MacCallum in *THE ART OF COMMUNITY* (Menlo Park, Calif.: Institute For Humane Studies, Inc., 1970).

At the moment, the revisionist urban planner must feel somewhat lonely. In order to overcome this condition, I would like to invite correspondence in an effort to discover the extent of this movement and to learn of one another's whereabouts. Perhaps in the future we could arrange a conference on revisionist urban planning similar to the conferences on political philosophy sponsored by the Institute for Humane Studies at USC during the fall of 1970 and more recently at the University of San Francisco.

Joseph A. Gilly
26232 Veva Way
Calabasas, CA 91302

BASIS OF ETHICS

I want to comment on Paul Lepanto's reply to Tibor Machan's review of "Return to Reason" (*REASON*, November 1971). Lepanto refers to a "right" as "a moral principle, defining and sanctioning a man's freedom of action in a social context." Now, the empirical data of ethics is the factual experience by each individual of a positive organism-environment interaction translated by his nervous system into pleasure, together with the presence or absence of conflicts among his long-term motives; he forms purposes of a concrete sort to integrate the first data, ethical metapurposes ("virtues") to integrate the second data. An ethical principle, then, is an identification of the means by which a man can without internal conflict act to attain the purposes which lead to his maximal long-term enjoyment.

This is, of course, a eudaemonistic view, common to Plato, Aristotle, Spinoza, Rand, Nietzsche, and others, though not adhered to by writers in the Christian tradition. The key difference among these positions, I suggest, is whether the abstract principles followed are viewed as inherently self-evident or as means by which empirical data may be dealt with.

Rand's position, here, is not clear with reference to the abstract principles which she regards as ethically essential. However, I do not believe that it can be coherently argued in her philosophical frame that ethical essences are metaphysically common to all men, since she denies this for all other concepts. Thus, each man must build up his own ethical essences from his own data. It is characteristic of a person (I would even say it defines this concept) that he is confronted with the data of his own joy and pain alone; and since joy and pain are relational rather than substantial, it is perfectly possible for men to have opposed data about one and the same action. In other words, an action may be highly beneficial to *me* and at the same time highly injurious to *you*.

This makes it substantially unclear why I should regard rights as of any significance whatever, beyond their purely procedural utility in dealing with other men. If I maximize my own utility by aggression, why should I not do so? Rand's main answer is that I thus abandon the existence of a sanction on my actions; very well, why should I not do so, as long as I can defend myself? Why should any man wish a sanction on his actions? If he can defend himself, he needs none; if not, it becomes a mere farce.

I do not see that sneering at Nixon's ethics will do any good in getting rid of him. If I granted Rand's claim that we can have a civilized society only by each man's respect for the sanctions of morality, I could still ask that she justify the desire for a civilized society. I claim that such civilization is not desirable, since it rests on a moralistic fiction which blinds men to the practical reality of politics: brute force. When every man recognizes the necessity of being able to resist force, we will make an end to force; but rhetoric about "rights" is not effective resistance. Civilization, as Rand defines it, seems to me to be nothing more than an elaborate fraud. Further, reliance on this fraud is one of the key reasons why men are still sheep. Finally, I do not fully trust a man who relies on moral fictions to guide his actions toward me; naked self-interest can be dealt with, but self-delusion makes rational interaction absurdly difficult, even impossible. The sanction of "rights" on my acts is one I find ill-founded, unnecessary, and inadequate; I am quite prepared to dispense with it.

William H. Stoddard
Sunnyside, Calif.

FCC CONTROL

I did not see the program "The Advocates" that was mentioned in "Trends" in the December issue of *REASON*. But if the position of one team on that program was that " . . . while it was very desirable to get the government completely out of TV licensing, this was not technologically feasible . . ." they should read an article in

the September issue of *THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS' TRANSACTIONS ON BROADCASTING.* An FCC employee admits that relinquishing government control of the airwaves is probably technologically feasible but *not* politically feasible. The FCC employee says that the claims that a free market in the radio spectrum would not work are "unsubstantiated."

Jerry Emanuelson
Colorado Springs, Colo.

COMPUTER MODELS—REASONABLE?

The intent of my letter in the September 1971 issue of *REASON* was *not* to offer a "critical *report*" nor to "participate in defining the assumptions" of Mr. Forrester's electro-magnetic machinations. It was to express my indignation at being offered such techno-aristocra-gogy in a magazine which purports respect for individual liberty.

My criticism was *expressly* directed at "what [the system] purports to do," i.e., *model behavior* . . . so that "we can *control* [its] future direction . . . by applying proper *pressure* at sensitive points." [Forrester] It is exactly *that* issue that the proponents don't want to face (at *any* time).

Within the context of that stated purpose, the methodology is perhaps consistent and rigorous. However, it cannot be considered *reasonable* when it's built on a blatantly false premise.

My derogation of particular features of the model was not in the context adopted by Mr. Patterson, whose critique is quite valid, but in the context of the basic pretense of its being a reflection of reality.

The particular figure or representation of the *intuitive* assumptions of any number of researchers used to graph the "quality of life" is the height of nonsense. If the modelers were able to establish for *each* and *every* individual the relative aspects of his existence which contribute to the quality of his life, *and* asked each respondent to calculate on a scale the importance and the past, present, and future state of each of these variable, *and* if each respondent could provide an index of response to all possible external influences on those particular aspects of his existence, *and* if that data could be programmed into a computer and graphed, *then* and *only then* would I consider the product to be equally as valid as my daily horoscope.

I am criticizing the technique in the context it was presented: as a model of social reality which will aid, presumably, the application of *governmental* "control" and "pressure." (No other assumption is justified by the articles.) When the technique is applied to the *concrete, limited,* and *voluntary* aspects of business or organizational activity, it may very well prove valuable.

The libertarian conclusions afforded by the technique I certainly applaud. But, I do not applaud them any louder than I would if they came out of a magician's hat. Neither Forrester's spaghetti and meatballs nor a witch's brew can substitute for the rational presentation of libertarian principles.

My comparison between the *REASON* and *PLAYBOY* articles was intended to illustrate my distress at their relative presentation of the issue. (To that purpose, the author of the particular article is irrelevant.) I *expect* to find favorable, or at least comprehensive, reportage of the theories of a B. F. Skinner or J. M. Keynes in *PLAYBOY*. I do *not* expect *REASON* to provide a face-value presentation of these men's theories *nor* those of J. W. Forrester.

Bill Westmiller
Barrie, Ontario, Canada

INVOLUNTARY HOSPITALIZATION

In the October issue of *REASON*, Nathaniel Branden mentioned the necessity for libertarians to be first in seizing upon issues of wide importance. In New York State at the moment an issue of great concern is arising that is bound to be discussed nation wide; *it is involuntary mental hospitalization*. This one is right up the libertarian sleeve.

A recent case of involuntary (mental) hospitalization involving one Margaret Mahl has occurred in Syracuse, New York. It has sparked a great deal of comment and the time could be ripe for libertarians to make involuntary mental hospitalization one of the major national issues, since it undoubtedly is a nation wide phenomenon.

When the [liberal] Urban Improvement Department in Syracuse decided that Margaret Mahl's house had to be condemned and tried to evict her from it by offering the aged lady welfare assistance, she refused. It was her home all of her life; she loved it; and she would go on making her living in it by selling old wares from the house. Local authorities found that they could quell this display of individualism through the State Mental Hygiene Law and had her hospitalized.

The mail came flooding into the Syracuse *POST STANDARD* and within the flood was a letter signed by 17 residents in psychiatry at the Upstate Medical Center at Syracuse. (I think this is where Dr. Thomas Szasz is located.) They wrote, "It is frequent and almost routine for us to come in contact with innocent people who have been snatched from the community by the therapeutic hand of social control. [Margaret Mahl is] one of many who have been abused by the New York State Mental Hygiene Law, the authorities who enforce it, the physicians who unquestioningly uphold it, and the institutions that justify its existence." The message has started to come home that, like the Soviet Union, the United States is practicing social control through pseudo-psychiatry.

Involuntary mental hospitalization could take like fire as an issue in the immediate future. It has already been attacked at the Upstate Medical Center. It has been concretized and magnified for the Syracusans and they are concerned. The whole nation could be concerned if libertarianism served as the vehicle for transporting the issue to the public when the time is ripe. It could be a part in making libertarianism what John Hospers called "an idea whose time has come."

As a former State Hospital patient I know some of the horrors of the State Department of Mental Hygiene.

Kerry Bardon
Watertown, N.Y.

.....

In a fleeting ageless moment
You whispered "I need you"
And my manhood came of age.
And I laughed
In the joy
Of seeing me

In a fleeting ageless moment
You whispered "I need you"
And your womanhood was truly given.
And you laughed
In the joy
Of seeing you.
HENRY HOHENSTEIN

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NATHANIEL BRANDEN will speak on "Achievement and Self-Esteem," Friday, 10 March 1972 8:00 PM at Beverly Hills High School, 241 S. Moreno Drive. For further information contact Anadysis Institute, 1394 Westwood Blvd, Los Angeles, CA 90024. Tele: 213-474-2513.

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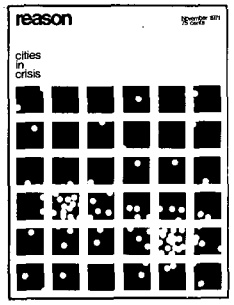

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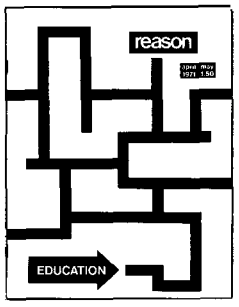

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